LEGATION OF THE
UNITED STATES OF AMERICA

7035

Prague, December 12, 1933.

No. 52

Subject: Economic Council of Little Entente to meet in Prague on January 8, 1934.

Office of Economic Advisor
JAN 8 1933
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-C/C
JAN 15 1934
ASSISTANT SECRETARY OF STATE

Assistant Secretary of State
JAN 13 1934
MR. SAYRE

DEPARTMENT OF STATE
DEC 29 1933
DIVISION OF WESTERN EUROPEAN AFFAIRS

~~870.50 PRAGUE/2~~
770.00/276

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JAN 18 1934

DEPARTMENT OF STATE
JAN 4 - 1934
DIVISION OF NEAR EASTERN AFFAIRS

870.50 - Prague

The Honorable

The Secretary of State,

Washington

Sir:

I have the honor to inform you that the Czechoslovak Government has officially announced that the Economic Council of the Little Entente will meet at Prague on January 8th next, when the following program, which envisages the intensification of economic relations between Czechoslovakia, Roumania and Yugoslavia, will be discussed:

FILED
JAN 20 1934

Note
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(1)/

(1) Railway, water, postal air, telephone and telegraph communications, i.e., to draw up a uniform transportation statute and common tariffs for the railways, waterways, postal services, air-lines, etc;

(2) Agreement upon common juridial standards, particularly the fixing of common rules of law touching commerce, bills of exchange, cheques, drafts and customs procedure;

(3) Unification of customs tariffs, in both form and practice, simplification of customs formalities, cooperation in matters pertaining to statistics, and the conclusion of agreements to supplement existing commercial treaties.

According to original arrangements the Council was to have met in Prague the end of November; but for various reasons, primarily because none of the three countries were really prepared for the meeting, the date was postponed. Later it was again postponed, since Dr. Beneš is leaving shortly for Paris in order to discuss with M. Paul Boncour the situation created by Italy's recent move for a reform of the League of Nations.

During the last few days a meeting has taken place between Dr. Beneš and the Roumanian Minister for Foreign Affairs, M. Titulescu, at Košice in Slovakia. The purpose of this meeting was three-fold: (1) to convince the Slovaks, seriously upset by Hungarian revisionist propaganda, of the close and cordial relations existing between the Little Entente States; (2) to discuss the results of Titulescu's recent Balkan negotiations; and (3) to smooth out various difficulties in connection with the approaching meeting of the Little Entente Economic Council. According to reports the meeting has been a success in all respects.

Just/

Just what degree of progress will be made when the Economic Council meets is difficult to say. The economic needs of the Little Entente countries are not at all similar, and it is believed that certain practical difficulties will be encountered in bringing them closer together economically. During the last few months minor disputes between the three countries in regard to their commercial relations have been the order of the day, each country taking the stand that the others should give them special advantages.

The Agrarian party in Czechoslovakia may be expected to oppose any arrangement whereby Roumania and Yugoslavia would be permitted to export all or most of their agricultural surplus to Czechoslovakia; and any agreement that is made will have to take this into account. In all likelihood it [should] may be possible to reach an agreement whereby agricultural products, ores and mineral oils, which were formerly purchased in Austria, Hungary, Italy, Russia and perhaps also in the United States of America, will be imported into Czechoslovakia in increasing quantities from Roumania and Yugoslavia, which will facilitate these countries increasing their industrial imports from Czechoslovakia.

[I believe that the meeting of the Economic Council will be a success, outwardly at least and in spite of the difficulties which the Czechoslovak Agrarians may be expected to make; since in the eyes of the Little Entente countries, especially Czechoslovakia, political interests and expediency outweigh economic ones, with the result that all efforts may be expected to be made to prevent the

outside/

outside world from thinking that the member States are finding it difficult to reach an understanding on economic matters.]

Respectfully yours,

J. Webb Benton

J. Webb Benton
Chargé d'Affaires ad interim.

Copy to E.I.C.

JWB/MC
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SEE 740.0011 MUTUAL GUARANTEE/1
,BALKAN,

DOCUMENT FILE

NOTE

770.00 /278

SEE 860h.00/664 FOR #57

FROM Yugoslavia (Wilson) DATED Dec.24, 1933

TO NAME 1—1127 GPO

REGARDING: Next meeting of the Little Entente will be held in Zagreb.

Wi

2657-V-710

G-2 Report 3850

DEPARTMENT OF STATE
RECEIVED
JAN 20 1934
DIVISION OF
COMMUNICATIONS AND RECORDS

RUMANIA (Political)

Subject: Concerning apprehension of Little Entente.

770.00/279

1. The Ministers of Foreign Affairs of Rumania and Czechoslovakia, Titulesco and Benes, met on December 11, 1933, at Kosice, Czechoslovakia, for conference on current external political questions concerning the Little Entente and some special features concerning Rumania and Czechoslovakia. In these conferences the present international situation was reviewed in the light of recent European developments concerning the disarmament problems and allied questions. The main object of the conferences was really an exchange of views on the necessity of solidarity to meet the growing agitation of the Hungarian revisionists and to assert the necessity for the intangibility of the pact of the League of Nations in its present form and of the intent to defend it against eventual amendments now being urged in several countries.

These questions will be taken up again at the next (Jan.14, 1934) meeting of the permanent council of the Little Entente at Zagreb, when Jeftitch, Minister of Foreign Affairs of Yugoslavia, will also be present.

Source:
Digest of Bucharest press acct. Dec.5-11,1933.

2. Comments by M/A:

There is growing apprehension in the Little Entente due to renewed Hungarian revisionist agitation and is linked with the question of disarmament.

In the matter of disarmament questions the Little Entente will look for light from France, who will give guidance and assistance. Encouragement has already come from this quarter, if we believe Le Temps of Paris, Dec. 5th (official organ of the Ministry of Foreign Affairs, France), "That France will take no decision on the disarmament question without consulting the Little Entente." The Little Entente having misgivings of the future will consequently spend the interim not in "watchful waiting", but in polishing up the means of defense and putting a few more pounds of powder in the storehouse. For example: Rumania's plan for industrial organization for war; the new Ministry of Armament and Munitions.

In Rumania there has been formed during the recent agitation, the "Anti-revisionist League", a group whose aim is the awakening of the patriotism of the people in order to most effectually provide for the protection of their frontiers and the necessary preparatory steps.

JAN 20 1934
FILED

From: M/A Belgrade (Bucharest) Rept.No.3479 Dec.20/33
(page 1)

NOTED BY W. P. D.

G-2 Report

3. Current political notes:

Mr. Benes has convoked the first session of the economic council of the Little Entente at Prague for January 8, 1934.

Mr. Anton Bibiescu, Minister of Rumania to Lisbon, has been recalled (Nov. 22,1933), his resignation having been accepted by the Foreign Office.

701.7153

Bucharest Press, Dec. 10th.

F. L. WHITLEY,
Lt. Colonel, Inf.,
Military Attache.

8599

LEGATION OF THE
UNITED STATES OF AMERICA

Prague, January 11, 1934.

No. 66

Subject: M. Beneš' Speech at the Opening of the Little Entente Economic Conference in Prague.

DEPARTMENT OF STATE
ASSISTANT SECRETARY OF STATE
FEB 9 - 1934
FILE

Office of Economic Adviser
FEB 3 1934
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 27 1934
DIVISION OF
WESTERN EUROPEAN AFFAIRS

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Assistant Secretary of State
FEB 5 - 1934
MR. SAYRE

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FEB 12 1934

DEPARTMENT OF STATE
FEB 2 - 1934
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington

Sir:

Adverting to my despatch No. 52 of December 12th last, I have the honor to inform you that the Economic Conference of the Little Entente States was opened at Prague on January 9, 1934, according to schedule, in the presence of high Government officials, the Rumanian and Yugoslav ministers to Czechoslovakia, and the members of the Czechoslovak, Rumanian and Yugoslav dele-

gations/

FEB 14 1934

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gations, which are headed by Dr. Julius Friedmann, chief of the economic section in the Ministry for Foreign Affairs, Dr. N. Teodorescu, chairman of the Rumanian Industrial Association, and M. Stanoje Pelivanović, chief of the consular division in the Yugoslav Ministry for Foreign Affairs, respectively.

M. Beneš opened the Conference; and in his address of welcome reminded those present that the Little Entente was formed in 1920 as a political unit, with a view to protecting its member States against the then present dangers in central and south eastern Europe. In this he felt it has been eminently successful.

He said that during the Little Entente's twelve years of existence fears had been expressed time and again that it could not survive, since the divergent interests of its member States would certainly preclude success; but that the past fifteen years had shown that these fears were unfounded. After the signing of the Organization Pact on February 16, 1933, objections were put forward in various quarters to the effect that the Pact called for such close and intimate relations among the member States as would be harmful to their individual interests, since there was nothing binding the three States together in the economic field.

M. Beneš admitted that an unusual amount of hesitation had been shown in the building-up of a common economic structure, and that complaints on that score were fully justified; but that these mistakes would soon be rectified. He pointed out that in his opinion the road leading to a new economic organization of central Europe had been found, and that once it is opened not only the Little Entente States but also the neighboring countries would be beneficially effected.

Continuing,/

Continuing, he said that the conference must and will be a success, and that every effort would be made to arrive at a complete understanding, so that the outside world would not think that the member States had been unable to work together on economic matters, as opponents of the Little Entente had predicted would be the case.

In discussing the work of the conference, M. Beneš said that he took it for granted that boards would be set up to deal with the following important matters of mutual interest to the Little Entente States: rail, water, air and postal communications; the standardization of economic, commercial and juridial institutions, the establishment of organs or bodies with a view to industrial and agricultural cooperation, exchange and coordination of information on statistical and banking matters, tourism, etc. These boards, he felt, should be permanent so as to bring into being, in the very heart of central Europe, a new international economic organization, which would help increase the mutual economic welfare of the Little Entente States and at the same time insure their political independence.

He emphasized that the Little Entente has no intention of working out a plan in which other States could not cooperate; and that States desirous of cooperating would always be welcome.

Concluding, M. Beneš said that responsible people in the three States fully realize the difficulties connected with welding the Little Entente States into an economic union, and that to effect this many years of hard and unselfish work will be necessary. Permanent results can only be achieved by gradual stages; but, he is convinced that the work is bound to be crowned with success if continued efforts

are/

are made and good will shown on all sides.

The conference is scheduled to last about a week; and the general feeling is that it will be successful in laying the foundation for a close economic cooperation between the Little Entente States.

Respectfully yours,

J. Webb Benton.

J. Webb Benton
Chargé d'Affaires ad interim.

Copy to E.I.C. Paris
JWB/MC
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9107

IN

LEGATION OF THE
UNITED STATES OF AMERICA

Prague, January 20, 1934.

No. 74

Subject: The Economic Conference of the Little Entente States in Prague.

FEB - 7 34

DEPARTMENT OF STATE
FEB 7 1934
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Assistant Secretary of State
FEB 15 1934
MR. SAYRE

DEPARTMENT OF STATE
FEB 16 1934
ASSISTANT SECRETARY OF STATE

Office of Economic Advisor
FEB 13 1934
DEPARTMENT OF STATE

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FEB 20 1934

DEPARTMENT OF STATE
FEB 9 - 1934
DIVISION OF
NEAR EASTERN AFFAIRS

FEB 26 1934

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The Honorable

The Secretary of State,

Washington

Sir:

770.00/280

Adverting to my despatch No. 66 of January 11, 1934, announcing the opening on the 9th instant in Prague of the Economic Conference of the Little Entente States, I have the honor to inform you of the work of the conference, which continued in session until January 17th last.

The day following the formal opening of the conference the three delegation met in plenary session, when committees and

sub-committees/

sub-committees were constituted to study the various items on the agenda. These committees and sub-committees met daily until the close of the conference. The last plenary session was held on the 17th instant, when sixteen resolutions, which will be found listed on a separate sheet, were drafted and approved.

Were it not for the brief and dry communiqués issued daily by the conference, and published in the local press, it would have been difficult to realize that an important conference was being held. So far no general statement has been given out explaining the work of the conference and the results achieved; but as it has been the policy of the Czechoslovak Government in the past to issue such statements at the close of important conferences held in Prague, it is presumed that no exception will be made in this case. Possibly, the departure of M. Beneš for Geneva a few hours after the close of the conference may account for the delay.

Closing the conference, M. Beneš thanked the delegates for their cooperation, and said that the sixteen resolutions adopted represent the "maximum accomplishment that could have been expected." He expressed the opinion that a customs union between the Little Entente States, as well as agreements to work together in postal, telegraph, telephone and communication matters would be realized by next year, and that the system, based on reciprocity and equality, which would govern the mutual trade relations of the member States, would not only facilitate the exchange of commodities between them but would help in bringing about the renewal of regular economic relations with Hungary. Continuing, M. Beneš said that he believed that the negotiations pending between Czechoslovakia and Austria would be successful, adding that

the/

the negotiations between his country and Soviet Russia were of a purely economic character, since political questions between that country and the Little Entente had been solved by the non-aggression pact last year.

Notwithstanding the various official communiqués, which refer to the "satisfactory progress of the conference," a certain disappointment is noticeable in quarters which had hoped for results in the form of "concrete figures," and not merely resolutions outlining the manner in which closer cooperation in the economic field between the Little Entente States might be effected.

The resolutions of the conference are to be submitted to the Permanent Council of the Little Entente, which meets at Agram in Yugoslavia on the 22nd instant, when it is expected that, following the ironing out of various difficulties left unsettled by the conference, they will be approved. They will then be drafted into a pact, which will later be submitted to the Parliaments of the three States for approval, and go into effect as of January 1, 1934.

I understand that the different ministerial departments in the Little Entente States are already taking steps to put the resolutions of the conference into practical effect at an early date; and that with this end in view have appointed commissions which will be in permanent contact with each other, meeting regularly every three months to discuss the work achieved and make plans for the future.

I also understand that in the work of the conference the greatest difficulties were encountered in the politico-commercial field, since all other matters discussed were of a more or less technical nature. The Czechoslovaks seemingly met with considerable resistence on the

part/

part of the Yugoslavs and, according to my information, it was only with difficulty that the two points of view, especially as regards the exchange of commodities, could be reconciled. As was to have been expected, the Czech Agrarians opposed the importation of large quantities of Yugoslav live-stock, overlooking the fact that concessions would have to be made if Czechoslovak industrial products are to find a market in Yugoslavia. The Agrarians apparently felt that such a concession could only be made at the expense of Hungarian live-stock, the importation of which is considered essential if Hungary is to continue to take a certain amount of Slovak timber, an industry which they control.

The sixteenth and last resolution, that relating to the exchange of commodities between the Little Entente States, is the most important and the one likely to have the most far-reaching effects. I understand that the three States have agreed to increase their trade with one another during the coming year approximately 50% over what it was in 1933, and with this end in view will restrict to a minimum their imports from other countries. Furthermore, Czechoslovakia has agreed to purchase considerable quantities of Rumanian and Yugoslav agricultural products, mostly grains, which she will store in the country of origin, disposing of these stocks abroad if and when a market is found. Such a policy is considered necessary, in order to make possible the selling of Czechoslovak industrial products to Rumania and Yugoslavia.

As might have been expected, the successful outcome of the conference can be directly attributed to M. Beneš, whose guiding spirit and firm hand did much to bring into harmony the divergent interests

of/

of the different delegations. He was determined that the conference should be a success, since failure or inability to reach an accord would greatly weaken the prestige of the Little Entente. From the Yugoslav delegation he met with considerable opposition, while the Rumanian delegation was seemingly docile and willing to follow his guiding hand.

It is taken for granted that the few difficulties left unadjusted in Prague will be satisfactorily arranged at Agrem, and that means will be found to put the recommendations of the conference into practical effect at an early date. In carrying out this new economic policy friction and difficulties are bound to arise from time to time; but as long as political necessity requires a close cooperation between Czechoslovakia, Rumania and Yugoslavia a way will undoubtedly be found to reconcile their economic interests.

Respectfully yours,

Enclosure:
Sixteen resolutions
mentioned above.

J. Webb Benton
Chargé d'Affaires ad interim.

JWB/MC
850

Copy to E.I.C. Paris.

Resolutions adopted by the Little Entente delegations at the Economic Conference held in Prague from January 9 - 17th, 1934.

1) Relative to agreements concerning the definite adjustment of mutual economic relations between the three States, and the further development of these relations;

2) Relative to the cooperation of existing economic institutions, with a view to establishing other similar bodies, and of organizing mutual economic propaganda;

3) Relative to mutual cooperation in the field of railway traffic (passenger and freight);

4) Relative to mutual cooperation in matters of Danubian navigation;

5) Relative to mutual cooperation in matters connected with air lines;

6) Relative to the organization of a postal, telegraph and telephone union;

7) Relative to mutual cooperation in matters dealing with the standardization of merchandise;

8) Relative to mutual cooperation, with a view to simplifying and laying down regulations governing cheques and drafts;

9) Relative to the unification of customs laws and tariffs, both in form and practice, and the simplification of customs formalities as between the three States;

10) Relative to mutual cooperation in the field of statistics in general, and their simplification;

11) Relative to mutual cooperation in agricultural education, and the dissemination of the progress made in that field;

12) Relative to mutual cooperation in matters of touristic intercourse;

13) Relative to mutual cooperation in industrial matters;

14) Relative to the cooperation of the Banks of Issue (National Banks) in the three States;

15) Relative to the mutual cooperation of the different savings banks in the three States;

16) Relative to mutual trade intercourse.

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SEE 740.0011 MUTUAL GUARANTEE/2-7
,BALKAN,

DOCUMENT FILE

NOTE

770.00/288

SEE 860h.00/668 FOR #64

FROM Yugoslavia (Wilson) DATED Jan.16, 1934

TO NAME 1—1127

REGARDING:

Meeting of Little Entente at Zagreb has been postponed until next week.

Wi

RECD
DEPARTMENT OF STATE
COM & REC.

10716

LEGATION OF THE
UNITED STATES OF AMERICA

Prague, January 29, 1934.

No. 78

Subject: Czechoslovak Reaction to Little Entente Meeting at Agram.

FEB 14 34

DIVISION OF
EASTERN EUROPEAN AFFAIRS
FEB 7 1934
COPY IN NE
DEPARTMENT OF STATE

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FEB 15 1934
WESTERN EUROPEAN AFFAIRS

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Assistant Secretary
of State
MAR 20 1934
MR. SAYRE

Office of Economic Adviser
MAR 13 1934
DEPARTMENT OF STATE

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MAR 13 1934
DIVISION OF
NEAR EASTERN AFFAIRS
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FILED
MAR 21 1934

The Honorable

The Secretary of State,

Washington

Sir:

STRICTLY CONFIDENTIAL

I have the honor to inform you that upon M. Beneš' return from the recent meeting of the Permanent Council of the Little Entente at Agram, a special session of the Council of Ministers was held, when he submitted a detailed report of the proceedings. No official statement has been given to the press; but from a trustworthy source I learn that the decisions reached at Agram were approved, and that they include the following points:

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The three Foreign Ministers of the Little Entente found no reason to alter the views which M. Beneš expressed on their behalf at Geneva with regard to disarmament, and they reiterated their opposition to any scheme which would weaken or impair the authority of the League of Nations. They further emphasized their determination to oppose with all their might any attempt to revise the Peace Treaties.

The sixteen resolutions which the Little Entente Economic Council drew up at its Prague meeting were approved, and the decision reached to put them into practical effect at an early date, without first drafting them into a pact as was the original intention.

The question of the relation of the Little Entente States to Soviet Russia was discussed at length, and it was agreed that every effort should be made to bring about normal relations with that country as soon as possible. As far as Czechoslovakia is concerned, it has been generaly felt that formal recognition was largely dependent on the internal political situation, since the National Democrat party, which belongs to the Government coalition, has always been opposed to such a step. During the past month, however, the importance of the National Democrat opposition appears to have receded into the background, with the result that the question of Czechoslovakia's formal recognition of Soviet Russia is no longer an internal one but rather an external one depending on Rumania and Yugoslavia. As a matter of fact, formal recognition will probably only be accorded by the Little Entente States acting in concert; although I understand that there is no question of appointing a

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joint/

joint representative at Moscow once this has been done, as has been rumoured in the press.

Economic negotiations between Czechoslovakia and Soviet Russia have been under way for some time, and M. Beneš promised to keep his Rumanian and Yugoslav colleagues informed as to their progress. In all likelihood these negotiations will result in a commercial accord based on the most-favored-nation clause. Such an accord would include a tariff agreement, as well as quotas for various Russian commodities, such as ores, minerals and crude oils. In return, Russia would import rails, railway cars, locomotives and other steel constructions, probably also certain surplus agricultural products. Czechoslovakia is also believed to be striving for an arrangement with Soviet Russia, to be included in the commercial accord, whereby the transit of her goods to certain Asiatic countries, particularly India and Persia, by way of the Ukraine would be definitely settled.

660.6131

Czechoslovakia is not directly interested in the proposed Balkan Pact, which was one of the subjects discussed at Agram; but she is convinced that if the Pact becomes a reality, as she feels it must, it will go a long way toward bettering conditions in the Balkans. Although M. Titulescu is acknowledged as the author of the Pact, the Czechs feel that M. Beneš is to a large degree responsible for bringing the necessary negotiations to a practically successful issue. Satisfaction is expressed over the fact that the various Balkan States are now showing themselves willing to follow a policy of peace and let bygones be bygones.

Foreign Office officials with whom I have talked believe that the Pact will actually be signed in the near future, and that the first

countries/

countries to attach their signatures will be Rumania, Yugoslavia, Greece and Turkey. Albania is particularly desirous of becoming a signatory; but is not in a position to adhere to the Pact until she is able to shake off Italian influence. She would appear to have been already partially successful in this respect, and the fact that she has declared herself ready to enter into a commercial treaty with Yugoslavia is deemed of great importance as far as the Balkans are concerned.

With regard to Bulgaria, Foreign Office officials do not see any likelihood of that country adhering to the proposed Pact, at least not for the time being. They believe that Bulgaria does not regard the Pact unfavorably; but realize that time must still elapse before the Bulgarian people, whose pride was deeply wounded through the loss of territory to Rumania and Yugoslavia, will understand that the territorial status quo in the Balkans is here to stay.

As in the case of the recent meeting of the Little Entente Economic Council in Prague, the local press has treated the Agram conference as a matter of only passing interest and has refrained from any special comment.

Respectfully yours,

J. Webb Benton

J. Webb Benton
Chargé d'Affaires ad interim.

Copy to E.I.C. Paris
JWB/MC
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770.00/290

SEE 740.0011 MUTUAL GUARANTEE/8

,BALKAN,

DOCUMENT FILE

NOTE

SEE 840.00/398 FOR Despatch #80

FROM Czechoslovakia (Benton) DATED Feb. 1,1934

TO NAME 1—1127 GPO

REGARDING: Recent meeting of the Permanent Council of the Little Entente at Agram. Comment on,- by Dr. Benes, Czechoslovak Foreign Minister.

770.00/291

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LEGATION OF THE
UNITED STATES OF AMERICA

No. 69. Belgrade, January 26, 1934.

Subject: Meeting of the Permanent Council of the Little Entente at Zagreb.

DIVISION OF EASTERN EUROPEAN AFFAIRS. MAR 3 - 1934 DEPARTMENT OF STATE

DEPARTMENT OF STATE FEB 28 1934 DIVISION OF WESTERN EUROPEAN AFFAIRS

AM RECD FEB 16 34

Copy to M.I.D

DEPARTMENT OF STATE A-C/C MAR 26 1934 ASSISTANT SECRETARY OF STATE

Assistant Secretary of State MAR 10 1934 MR. SAYRE

Office of Economic Advisor MAR 6 1934

DEPARTMENT OF STATE FEB 17 1934 DIVISION OF NEAR EASTERN AFFAIRS

770.00/292

FILED MAR 29 1934

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the Conference of the Permanent Council of the Little Entente met at Zagreb on the 22nd instant. It had been intended to hold this conference at Zagreb during the King's visit to that city, but the murder of Mr. Duca, the Roumanian Prime Minister, necessitated its postponement. Mr. Benesh and Mr. Titulesco came directly to Zagreb from Geneva where they had been attending the meeting of the Council of the League of Nations, and were met at Zagreb by Mr. Yeftich, the Yugoslav Minister of Foreign Affairs, and the Roumanian and Czechoslovak Ministers to Yugoslavia. On the 22nd instant, the Council held two

sessions

sessions at the close of which an official communiqué
1/ was issued, a translation of which is enclosed herewith. This was the only official statement issued during the meeting.

The communiqué states that views were exchanged on the general political situation as well as on international events affecting the interests of the Little Entente, and that as complete identity of views was found to exist it was possible to fix a future line of conduct.

Commenting upon this statement, the special Zagreb correspondent of the LONDON TIMES states:

> "There is good reason to believe, however, that the Ministers were not entirely of one mind as to the course to be given Balkan negotiations. Mr. Titulesco (Roumanian) is said to have pressed, with the approval of Dr. Benesh (Czechoslovak), whose country's interest in Balkan affairs is but indirect, for the early conclusion of a Balkan Pact of Guaranty and Non-Aggression, including the Geneva definition of the aggressor, with or without the adhesion of Bulgaria. He is also understood to have passed certain criticisms on Yugoslav diplomacy for showing rather more independence than he would himself have wished in the matter.
>
> "It is not seriously believed in Little Entent circles that Bulgaria will agree to sign a Balkan Pact in which she would be asked formally to guarantee the status quo without receiving in repayment political concessions which its neighbors are not yet ready to give. The Yugoslav Government are anxious, however, that the proposed pact should be negotiated and drafted in such a way as to avoid any set-back to a Yugoslav-Balkan rapprochement, which has recently been making rapid progress. In other words the Pact should give the least possible offence to Bulgarian susceptibilities, and leave the door open for her subsequent entry."

The communiqué goes on to say that the problems of disarmament and the Balkan Pact were also discussed, as well as the question of relations with the Russian Soviet Government. No indication is given as to the decisions reached, although so far as disarmament is concerned it is certain that there has been no change in the original attitude of

the

the Little Entente; namely, security first and then disarmament.

As regards Soviet Russia, the LONDON TIMES' Zagreb correspondent writes:

> "It is apparently proposed that the Little Entente States should resume official relations with the Soviet Government, but without granting de jure recognition."

The British Minister tells me that he believes that Roumania and Czechoslovakia are anxious to and will shortly enter into regular diplomatic relations with the Soviets. Yugoslavia will, however, refuse to take this step now but her interests in Russia will be looked after by Roumania and Czechoslovakia. The Council also discussed revisionist intrigues and propaganda and emphasized its well known position, which may be summed up by the words, "Revision means war."

Probably the most concrete result from the meeting of the Little Entente was its decision to accept and submit to the respective governments, the reports submitted by the Economic Council of the States of the Little Entente held in Prague on January 9th to the 17th. Nothing definite has been published here as to these reports, but the official press professes to be very satisfied and even astonished at the success of the Prague negotiations; at the same time, however, the press warns the public not to expect too much, nor any immediate improvement in economic conditions. The Legation at Prague will doubtless have kept the Department informed as to the work of the Economic Council of the Little Entente. In reference to this, the Zagreb correspondent of the London Times writes,

> "The most palpable result expected from the Zagreb conference was to have been the announcement of a two year's economic plan for the Little Entente. In this respect, the official statement is disappointing. All it has to say is that resolutions adopted last week

at

> at Prague by the economic experts of the three states are to be referred to the three governments for approval; but from what is known from the results of the Prague meeting, Czechoslovakia is not yet in a position to absorb the surplus agricultural products of Yugoslavia or Roumania, to anything approaching the extent that is desired by them."

The above opinion agrees with what the Legation has heard on this subject, and the British Minister tells me that he thinks the actual results of the Prague conference will be almost nil.

On January 23rd, the three Ministers of Foreign Affairs left Zagreb for Belgrade where they arrived in the afternoon. Messrs. Benesh and Titulesco were received by the King and in the evening His Majesty gave a dinner for the three Ministers and other officials who had attended the conference. The same evening, Mr. Titulesco left for Bucharest and Mr. Benesh for Prague.

Commenting on the work of the conference, the POLITIKA writes:

> "As international political events follow each other with great rapidity, the three Foreign Ministers of the Little Entente agreed to apply some of their recent decisions without further delay. This is true, for instance, in the case of the organization for economic collaboration between the three countries, and some of the results adopted by the Economic Conference of the Little Entente at Prague will be applied at once in order to increase the volume of commercial exchange between the three states. On the other hand it is believed that the Roumanian and Czechoslovak members of the conference attribute special importance to the decisions concerning relations with the Soviets. Negotiations with the latter will begin shortly or have already begun, it is said."

FE

The NOVOSTI of Zagreb publishes an editorial reviewing the results of the conference. These results, it says, have a great significance for European politics, not to speak of furthering the relations between the three countries. The very important economic decisions taken in Prague

have

have been approved at Zagreb and their enforcement will enhance the importance of the Little Entente and increase its political weight. Furthermore, the Conference at Zagreb, it continued, has studied the question of relations with Soviet Russia, which has been on the order of the day since the conclusion of the Pact of Non-Aggression between Russia and the Little Entente, and since Russia has adopted a political course contrary to the revision of peace treaties, and since it is considering joining the League of Nations. The enemies of the Little Entente, it added, will be disappointed to see how the latter will continue to work for the interests of peace and the happiness of nations without being the least influenced by terrorist outrages tending to sow disorder in the internal life of the three countries.

2/ I also have the honor to enclose herewith a translation of an article from the "Echo de Belgrade" of the 24th instant, which discusses at length the matters dealt with by the Little Entente. This paper is in French, and while the circulation is small, it has access to the Government, whose views, I believe, it expresses.

My personal feeling is that the recent meeting of the Little Entente was rather perfunctory as the attitude of all its members on most of the subjects discussed has been many times reiterated. It seems to me also that the solidarity of the Little Entente is not quite so great as at the time of the previous meeting. There are different influences being brought to bear with more or less force on the different members; if the much discussed Balkan Pact is ever realized, this must, it seems to me, have a disintegrating effect on the Little Entente, for Czechoslovakia will be naturally excluded, while the

relations

relations of Yugoslavia and Roumania will become closer with Greece, Turkey, and possibly Bulgaria. Then too, there seems to be some question in certain circles here as to whether the new Government in Roumania will be as strong a partisan of the Little Entente as were the previous governments of that country. Personally, I think that this uneasiness is unfounded, certainly as long as Mr. Titulesco remains Minister of Foreign Affairs.

While, therefore, the recent conference may have shown a slight loosening of the bonds uniting the countries of the Little Entente, I believe this is probably only temporary and due to the rather perfunctory nature of the recent discussions of the Council. I think, however, that if the revisionist policies of certain countries becomes more acute or aggressive, the Little Entent will quickly recover its former close unity and act as one body against any attack on the territorial integrity of any one of them.

Respectfully yours,

Charles S. Wilson

Charles S. Wilson.

2 ✓

Enclosures:

1. Translation of communiqué.
2. Translation of article from L'Echo de Belgrade.

File No. 710 - Triplicate.

CSW:HSB

Enclosure to Despatch No. 69 of January 26, 1934, from the Legation in Belgrade.

COMMUNIQUE.

January 22, 1934.

The Permanent Council of the States of the Little Entente met in a regular session of January 22, 1934, at Zagreb and first proceeded to exchange views on the general political situation. The last international events affecting the interests of the States of the Little Entent have been examined.

The complete identity of views of the three Ministers on all these questions made it possible to establish a line of conduct for the future.

The problem of disarmament and negotiations which are being carried on on this subject, the Balkan Pact as well as the problem of relations of the Little Entente with its neighbors, were examined and decisions were taken accordingly.

The question of relations with the U.R.S.S. and their development in the future was likewise the object of a careful s tudy.

As regards revisionist propaganda and intrigues, the Permanent Council emphasizes its attitude, which is well known, as it has firmly decided to denounce by adequate means all the fatal consequences for peace and friendly relations between nations which such work of international cooperation might bring.

The Permanent Council eventually discussed the reports submitted by the Economic Council of the States of the Little Entente during the Conference at Prague which was held from the 9th to the 17th of January, 1934. The Resolutions adopted in Prague were examined by the Permanent Council as well as the program of purchases and

sales

sales to be made between the States of the Little Entent during 1934. The Council decided to submit them for approval to the three respective Governments. Also a number of other questions interesting the three countries were studied and solutions adopted.

The next regular session will be held in Bucharest in May.

Enclosure to Despatch No. 69 of January 26, 1934, from the Legation in Belgrade.

Translation from ECHO DE BELGRADE of January 24, 1934.

SESSION OF THE PERMANENT COUNCIL OF THE LITTLE ENTENTE IN ZAGREB.

The Zagreb conference may probably have deceived those who love pompous diplomatic meetings. The communiqué issued after the close of the session had all the dryness and simplicity of an order of the day. Stripped of all which could be used later as a ground for unnecessary comments, it was marked by composure, a proof of the calm with which the three foreign ministers are facing the present and - the word is conspicuous in the text - the future.

The "exchange of viewpoints on general politics" brought forth numberous problems each of which was not necessarily mentioned in the communiqué. For instance, the proposed reorganization of the League of Nations was surely discussed by the Council, but as the reformers to be have not officially informed the League of their intentions, there was no apparent reason for the three ministers to dwell upon vague intentions, although the latter have already stirred the emotions of states anxious to maintain in Geneva the principle of the absolute identity of their national sovereignty,- such was the case of Holland some days ago.

Disarmament has many times been the object of deliberations among the three ministers: this problem has now entered the crucial stage, but the thesis of the Little Entente has not changed during the last two years. Moreover, the facts themselves urge the Little Entente to maintain this same attitude. All attempts to apply general measures, even partly, meet obstacles in real political life which vary from one front to the other, and the conference of Geneva risks running aground on the shoal of helpless ideology for want of a respect of reality.

Ample material was furnished to the conference in the form of a study of relations with other states. These were the relations of neighbors with Germany, Italy, and U.R.S.S., problems of the Danube basin and inter-Balkan relations.

The visit of Mr. Suvich to Vienna and the acuteness of the Austro-German conflict invested the study of these problems with the striking characteristic of opportunism. Some other countries are, like the Little Entente, opposed to an Anschluss, but disagree as to methods of preventing it. The Little Entente continues to foster its policy of organizing the economic collaboration of the Danube countries without depriving such states of their political freedom. The possibility of an efficient application of other solutions for guaranteeing Austrian independence is far from having been as yet demonstrated.

In connection with this problem the Council has

approved

approved the Prague decisions which outline a definite economic program. Should the states of the Little Entent be able to increase their exchange of commodities during 1934 by some forty or fifty per cent, this will evidently indicate that the Little Entente has come out of the domain of theory (by itself such agreement even in theory was not an easy task to perform) and entered that of facts. But in our epoch of planned and directed economic activity, the three Governments must themselves give the necessary incentive.

As regards the Balkan Pact - the principle is adopted. One must still wait for the interview of the Bulgarian and Roumanian sovereigns, which is logically complementing that of King Boris to Belgrade, to ascertain with any degree of accuracy whether Bulgaria intends to remain out of the Pact or else prefers to trust its neighbors by signing with them. It would be regrettable if a Balkan Pact would be concluded without Bulgaria affixing its signature, even in case the possibility of subsequent adherence was foreseen. However, even a pact of four would be preferable to one of five should the latter conceal feelings of resentment and mental reservations in signing.

Mr. Maximos insisted during his travels through the western capitals in saying that the Balkan Pact had but a limited objective. The Little Entente is perfectly in agreement with Greece and Turkey in recognizing that Yugoslav and Roumanian interests and purposes in the Balkan Pact differentiate from the purposes and interests pursued within the "frames" of the Little Entente. One may say, though, that there exist a kind of "articulation" between the two groups - one towards Central Europe, the other towards the Balkans, but that nevertheless the supreme purpose of both is the maintenance of peace.

Here comes the "delenda Carthago" of all the communiques of the Little Entente - the fight against revisionism. However, let the revisionists beware! If it is always the same voice, the song is not quite the same now. Formerly the Little Entente simply used to publish declarations in principle against revisionist propaganda. Today it announces "appropriate means" to combat disturbers of peace. The scandalous complicity which revisionism has found among the ranks of politicians in friendly England and even in allied France force the Little Entente to unmask this "enterprise of international dissociation" which carries the risk of plunging entire Europe in mud and blood.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 69

Bucharest, January 27, 1934.

Subject: Meeting of the Economic Council of the Little Entente in Prague between January 9 and 17, 1934.

DEPARTMENT OF STATE
A-C/C
MAR 26 1934
ASSISTANT SECRETARY OF STATE
FEB 16 34

Office of Economic Adviser
FEB 27 1934
DEPARTMENT OF STATE

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To the field
In U. S. A.
Copy to M.I.D.

Assistant Secretary of State
FEB 28 1934
MR. SAYRE

MAR 27 1934

DEPARTMENT OF STATE
FEB 17 1934
DIVISION OF NEAR EASTERN AFFAIRS

AM REC'D
DEPT. OF STATE
DIV. COM. & REC.

770.00/293

MAR 29 1934
FILED

The Honorable

The Secretary of State,

Washington.

770.00

Sir:

I have the honor to report that the results of the meeting of the Economic Council of the Little Entente in Prague from January 9 to January 17, 1934, were received in Bucharest with approval but with no great enthusiasm.

The ARGUS, perhaps the best newspaper in Rumania on economic and trade matters, points out that although no tangible results are yet evident, the practical improvement of the economic relations among the three countries of the Little Entente will inevitably follow the agreements reached in Prague. The Rumanian press

expresses

expresses the hope that the success which is expected from this endeavor to make the Little Entente an economic as well as a political unit will lead to the inclusion of the other countries of the Danubian basin within an economic arrangement which will make for economic recovery in Central and Southern Europe. The permanent commissions which were set up at Prague to study the possibilities of cooperation among the three states in customs matters, communications, exchange, etc., will begin their work immediately and it is confidently expected here that favorable solutions will speedily be found for many of the problems under consideration.

There is no doubt that a great deal can be accomplished if the plans made at Prague are carried through. However, it continues to be the opinion of the Legation that at least in Rumania more is expected from these negotiations than can ever be achieved. Rumania, Czechoslovakia and Yugoslavia are not sufficiently complimentary to each other to form an economic unit and the trade gains which may result from close cooperation will to no small extent be offset by losses in foreign markets outside the group.

Respectfully yours,

Alvin M. Owsley.

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t.

JCH/BFG

One copy to E.I.C., Paris.

770.00/294,295,296

SEE 740.0011 MUTUAL GUARANTEE/9-11
,BALKAN,

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

THE UNDER SECRETARY
FEB 21 1934
DEPARTMENT OF STATE

February 21, 1934

Mr. Phillips:

I believe you will be interested in glancing through this brief despatch, particularly the first three pages thereof.

King Alexander of Yugoslavia sets forth in a rather surprisingly frank manner his views with respect to the rôles which the various European Powers are playing, and makes some interesting observations regarding the Anschluss question and also the possibility of another European war.

Perhaps you might wish to pass this along to the Secretary.

Wallace Murray

LEGATION OF THE
UNITED STATES OF AMERICA

No. 68. Belgrade, January 25, 1934.

Subject: Audience of Mr. Hubert R. Knickerbocker with King Alexander.

SPECIAL ASSISTANT TO THE SECRETARY
FEB 27 1934
MR. DUNN

DEPARTMENT OF STATE
FEB 27 1934
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Confidential.

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DIV. COM. & REC.
FEB 16 34

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The Honorable

The Secretary of State,

Washington.

FEB 1 0 1934
DIVISION OF
NEAR EASTERN AFFAIRS

FILED
MAR 2 - 1934

770.00

Sir:

I have the honor to report that Mr. Hubert R. Knickerbocker, a representative of the International News Service, has been in Belgrade during the past week and had an audience with the King, the Minister of Foreign Affairs and other political leaders. Mr. Knickerbocker is gathering material for a book which will be entitled, "Will there be a War in Europe?" He stated somewhat jokingly, however, that in his opinion the title might well be, "When will War come in Europe?"

Mr. Knickerbocker impressed me as a decidedly intelligent and well informed man with a really solid

background

background for an understanding of the European political situation.

The King granted Mr. Knickerbocker a lengthy audience and seems to have talked to him with rather surprising frankness. Immediately after the audience, Mr. Knickerbocker made notes of the King's remarks, which he kindly read to me thinking that they might be of interest to the Legation. From these full notes he made an expurgated abstract which was submitted to the King for approval, and which he was authorized to use in a series of magazine articles which he is now writing.

The King began his remarks by stating that the Balkans can no longer be considered a sore spot in European politics, and that no rupture of peace will originate in that area. Italy, he said, is the trouble maker in Europe, and that it would continue to attempt to play off Germany against France and Germany against Austria, and generally to interfere in European affairs without, however, if it can be avoided, definitely taking sides to the extent of guaranteeing its support to any factor in case of war. The King said, therefore, that personally he would be glad to see the Anschluss, which he considers inevitable, since that would force Italy to come out into the open and take definite sides. He believes that otherwise any new war in Europe will see practically the same line-up as in the last War; that is to say, France versus Germany, with the smaller powers allied as before with France. England would remain aloof until Germany began to win, whereupon she would join France. Italy would remain neutral until England came in, whereupon she would join England.

The King expressed some dissatisfaction at France's domineering attitude in the Balkans and even hinted at

the

the possibility of the Balkan states deciding that cooperation with Germany might be more to their advantage than a continued servile allegiance to France. I believe that this feeling toward France is increasing not only here, but also in Roumania and in Poland, owing to French tactlessness in dealing with her allies.

When questioned by Mr. Knickerbocker as to whether he believed that there is a possibility of war during the present year the King replied, after some moments of reflection, that he believes Germany would throw off her mask within the next six months and that she would then inform France of her intention to rearm or would openly begin to do so. In this case, the possibility of France fighting a preventive war would arise and the King believed that the ultimate decision would depend to a great extent upon the attitude of England at that moment. In fact, the King, several times during the interview, emphasized the fact that in his opinion war or peace in Europe depended chiefly on the ultimate attitude which would be adopted by England. If France should not take preventive action at the moment of this crisis he thought there would be peace in Europe for a considerable period. The King reiterated the Yugoslav slogan, which is also that of all the other members of the Little Entente, that "revision means war".

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Before coming to Belgrade, Mr. Knickerbocker was in Budapest where he had an audience with Regent Horthy. He read me also the abstract of this interview which is so violent and childishly puerile and petulant that it could not be taken seriously and was really comic. Mr. Knickerbocker said himself that it was the most extraordinary interview he had ever had and that he really thought

that

that the Regent showed signs of senility. Among the other things that Admiral Horthy said was that while the Serbs were good soldiers, nevertheless Yugoslavia could not mobilize, for the government would not dare to put arms into the hands of the minority groups which would use them against the Serbs, and that the Yugoslav nation would rapidly disintegrate and those parts which had been torn from Hungary would soon be reunited with the mother country.

The King appeared much amused by the Regent's statement and said that not only could the Yugoslav army be mobilized in 24 hours but that a war would find Slovenes, Bosnians, Croatians and others firmly united for the defense of the Kingdom and that they would prove to be as good soldiers as the Serbs themselves, whom Admiral Horthy had been so good as to compliment. In my mind this opinion expressed by His Majesty is correct, for I believe nothing would so quickly and so strongly cement the different nationalities of Yugoslavia as any attempt at dismemberment from the outside.

The King made a most excellent impression on Mr. Knickerbocker who had by no means been prepossessed in his favor, and struck him as being unusually intelligent, well informed and as having great poise, calmness and good judgement. Mr. Knickerbocker said that he was evidently a man who knows his own mind and realizes his responsibility as the one man upon whom the whole country depends at the present time.

In view of the very favorable impression made by King Alexander upon Mr. Knickerbocker, I beg to call the attention of the Department to an exactly opposite opinion expressed by a certain Louis Adamic in an

article

article in the last YALE REVIEW (Winter 1934). Even if all the statements of fact made by Mr. Adamic were true, which they are not, and it is easy to see that he is actuated by personal animosity, spite and political passions, it is surprising that a magazine of the character of the Yale Review should publish such a cheap, sensational and in many respects scurrilous article, the effects of which cannot fail to be mischievous and to arouse a sentiment of resentment toward the United States among Serbs in whose hands the article may fall; and one may be assured that copies and translations of this article will fall into many Yugoslav hands through the good offices of that country's enemies, for which this article will furnish excellent propaganda material.

711.60H
811.918

Respectfully yours,

Charles S. Wilson

Charles S. Wilson.

File No. 710 - Triplicate.

CSW:HSB

2 F P

770.00/298,299

SEE 740.0011 MUTUAL GUARANTEE/12,13

, BALKAN,

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, February 2, 1934.

No.827

SUBJECT: BULGARIA WILLING TO NEGOTIATE BILATERAL PACTS OF NON-AGGRESSION.

DEPARTMENT OF STATE
ASSISTANT SECRETARY OF STATE
AM RECD
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MAR 3 - 1934
770.00/300
FEB 10 1934
DIVISION OF NEAR EASTERN AFFAIRS
FILED
MAR 9 1934

STRICTLY CONFIDENTIAL

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my despatch No.826, of February 1, 1934, and to inform the Department that this morning's press reports that Mr. Keusseivanoff, the Bulgarian Minister to Yugoslavia, arrived in Sofia yesterday afternoon and left again for Belgrade last night, having received instructions during his very brief visit to inform the Yugoslav Government once more, as well as the Balkan ministers for foreign affairs, who will meet in Belgrade on February 3, that Bulgaria is ready to begin negotiations immediately for a series of bilateral non-aggression pacts with its neighbors,

independently

independently of the efforts on foot to compose the litigious questions.

This morning's newspapers also report Mr. Mooshanoff as stating to representatives of the press that a circular telegram was sent on January 30 to all chiefs of Bulgarian diplomatic missions instructing them to notify the governments to which they are respectively accredited that Bulgaria is willing to sign bilateral pacts of non-aggression with all Balkan states, with the exception of Turkey, with which Bulgaria already has a pact of friendship, conciliation and arbitration. The Prime Minister is quoted as having said that Bulgaria wishes with these pacts to emphasize once more that it does not nourish aggressive aims toward any of its neighbors, and that it does not think of war. At the same time the Prime Minister is reported to have stated that Bulgaria holds resolutely to the Covenant of the League of Nations, and especially to Article XIX thereof, which offers the hope of pacific revision of the Treaty of Neuilly. Subsequent inquiries at the Foreign Office have confirmed the report of the circular telegram of January 30, and I have been informed specifically that the Bulgarian Chargé d'Affaires at Washington has been instructed to communicate with the Department in the sense indicated in the reported statement of Mr. Mooshanoff.

Respectfully yours,

Maynard B. Barnes.

2 Carbon Copies
Received

Maynard B. Barnes,
Charge d'Affaires ad interim.

710
MBB:MC

Copies sent to: Athens, Belgrade, Istanbul, Rumania, E.I.C.

LEGATION OF THE
UNITED STATES OF AMERICA

Sofia, Bulgaria, February 3, 1934.

No.828

SUBJECT: BULGARIAN INSTRUCTIONS ON PACT OF NON-AGGRESSION TO CHARGE D'AFFAIRES AT WASHINGTON.

NE
A

REC'D
DEPT. OF STATE
DIV. COM. & REC.
FEB 17 '34

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In U. S. A. ✓
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770.00/301

DEPARTMENT OF STATE
A-DC
FEB 20 1934
ASSISTANT SECRETARY OF STATE

FEB 23 1934

The Honorable

The Secretary of State,

Washington.

DEPARTMENT OF STATE
FEB 19 1934
DIVISION OF NEAR EASTERN AFFAIRS

770.00

Sir:

I have the honor to refer to my despatch 300 No.827, of February 2, 1934, and to inform the Department that upon closely questioning Dr. Georges Radeff, the Secretary General of the Bulgarian Ministry for Foreign Affairs, last night, as to the nature of the instructions sent to the Bulgarian Chargé d'Affaires at Washington, on the Government's willingness to sign bilateral pacts of non-aggression with Bulgaria's neighbors, I learned that the instructions to Mr. Petroff-Tchomakoff had been sent by mail, and not by telegraph as I was informed

FILED
FEB 28 1934

yesterday

yesterday morning. Dr. Radeff stated that the instructions to all missions in Europe had gone by telegraph, but that the telegraphic rate to Washington is so high that it was decided, in the interest of economy, to despatch the instructions to Mr. Petroff-Tchomakoff by mail. Today I have been supplied by the Ministry with a memorandum in Bulgarian setting forth the nature of the instructions
1/ sent to Mr. Petroff-Tchomakoff. A translation of this memorandum is enclosed.

Respectfully yours,

Maynard B. Barnes,
Chargé d'Affaires ad interim.

710
MBB:MC

Enclosure: Translation of memorandum of instructions sent to Bulgarian Charge d'Affaires at Washington.

Copies sent to: Athens, Belgrade, Istanbul, Rumania, E.I.C.

Enclosure with despatch
No.828 of February 3, 1934.

TRANSLATION

FOREIGN OFFICE MEMORANDUM ON INSTRUCTIONS
SENT TO
BULGARIAN CHARGE D'AFFAIRES AT WASHINGTON.

-o-

On January 30 the Prime Minister sent out a telegram to all Bulgarian ministers abroad informing them of the essential points of his conversations with Mr. Titulesco in Bucharest.

Mr. Titulesco invited Bulgaria to become a party to the Balkan Pact, stating that the Pact has been conceived in a European scope and that its aim is to put an end to all efforts toward revision of the peace treaties.

Mr. Mooshanoff stated that until his departure for Bucharest he had not been officially advised of any proposition regarding the projected Balkan Pact. Mr. Titulesco gave him in the course of the conversations the following indications on the nature of the pact: 1) preservation of existing status quo; 2) obligation of mutual guarantee of security of frontiers.

Mr. Mooshanoff objected that the pact would be in contradiction of the spirit and meaning of Article XIX of the League Covenant, that there is no instance in history that a nation has signed a second time a treaty which had already been imposed upon it once, and that no Bulgarian Government could sign such a pact as Bulgaria cannot give up the rights that its affiliation with the League of Nations guarantees to it.

For

For this reason Mr. Mooshanoff has instructed the ministers to notify the Governments to which they are accredited that "Bulgaria holds to peace no less than all other countries, and has no aggressive intentions; as an evidence of this, it is willing to sign pacts of non-aggression with every one of the Balkan states."

This standpoint of the Bulgarian Government is supported by all political circles in the country, and is not due to any foreign pressure.

770.00/302,303,304,TO 320

SEE 740.0011 MUTUAL GUARANTEE/14 TO 32
,BALKAN,

OFFICE CHIEF OF STAFF
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WAR DEPARTMENT
DEPARTMENT OF STATE
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MAR 14 1934
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COMMUNICATIONS AND RECORDS

G-2 Report

YUGOSLAVIA (Political)

Subject: Little Entente - Meeting of the Permanent Council as a forerunner to Balkan Pact.

770.00/321

The Permanent Council of the Little Entente met at Zagreb on January 22, 1934, in ordinary session. Its business consisted in examination of the general political situation and international events as to their effect on the Little Entente.

The identity of views of the three ministers facilitated the establishment of a line of common action for future procedure. The principal questions discussed were: (1) Disarmament; (2) Balkan Pact; (3) Relations with contiguous neighboring states; (4) Relations with U.S.S.R. and their possible development; (5) Propaganda and revisionist agitation; (6) and the results of the work of the Economic Council of the states which had its meeting in Prague January 9-17, 1934. The next meeting of the Permanent Council is scheduled for May at Bucharest.

High Lights on Conference:

The Little Entente will abandon its previous passive attitude toward the revisionists and will be more direct in the future in its opposition to any attempts for revision. The session then gave way to discussion of the accord among the Balkan States. Progress was reported, showing the consent of Rumania, Yugoslavia, Greece, and Turkey, and the situation as to Bulgaria and Albania was outlined. The Little Entente believes that since Russia has adopted an attitude not unlike their own and also since Russia has defended the maintenance of the League and has indicated its friendship toward the Little Entente, a resumption of friendly relations should be sought.

The Italian plan in respect of Central Europe clashes with the economic plan of the Little Entente of the Danubian States.

The Little Entente is eager to further the operation of the economic bloc of the three states and with this end in view will submit bi-monthly reports of their commercial balances.

Source: Bucharest press, Jan. 24, 1934.

Comment by M/A:

It is thus seen that the major objective of this conference was to "grease the skids" for the signing of the Balkan Pact. The Little Entente is eager to create by this pact a new political entity effected by a Balkan accord, something on which it can hang its hat, as it were, in support of the Little Entente's actions in its so-called desire to consolidate peace and effect sectional reorganization in the Balkans. The Balkan Pact will thus be the reply to the "revisionists" and in effect will become a somewhat defensive alliance of the Balkan States, guaranteeing their territorial integrity and maintaining the Versailles Treaty. It was hoped that through the friendly visits of the two Kings (Carol and Boris), Bulgaria might be enticed into the pact and thereby lend the strength of greater unity to it. However, Bulgaria has little to gain and much to lose by any such action on her part tending to an accord on the statu quo. Moreover, it could hardly be a reasonable expectation for Bulgaria to enter the pact without a grant in her favor other than possible trade concessions. Albania, on account of the Italian intrusion, was rated as "non-Balkanic" as far as the pact was concerned.

As to Greece, it is conceded that she will be glad to enter the pact. She has been unwilling to concede Bulgaria's interpretation of the Neuilly Treaty in respect of a port on the Aegean. In case of a conflict with Bulgaria she fears she might lose a portion of the cherished Aegean Littoral which borders the region of the long-lost capital of the Byzantine Empire to which she looked longingly during and after the World War. Greece also gains in the temporary shelving of the differences with Yugoslavia over the Salonika free port area.

Turkey gains in time and in trade concessions - time needed to consolidate her empire, and she gains freedom from probable loss of the European Turkey should the Balkan pot again boil over during the existence of the pact.

Yugoslavia will gain in the feeling of security against the rising tide of revisionist sentiment, as will also Rumania and even Czechoslovakia on account of her membership in the Little Entente.

Rumania will gain in temporary security from possible Bulgarian aggression in respect of the Dobrodja and in postponement of the Russian claim in respect of Bessarabia.

In summing up, the meeting at Zagreb prepared the way for a political pact of Balkan States which will strengthen the Little Entente and uncover the shoulder bearing the chip to the Treaty revisionists.

F. L. WHITLEY,
Lt. Colonel, Inf.,
Military Attache.

770.00/322,323, 324 TO 333

SEE 740.0011 MUTUAL GUARANTEE/34 TO 44
,BALKAN,

LEGATION OF THE
UNITED STATES OF AMERICA

No. 104. Bucharest, March 29, 1934.

Subject: Visit to Rumania of Military Commissions from Czechoslovakia and Jugoslavia.

DEPARTMENT OF STATE
MAY 2 1934
DIVISION OF WESTERN EUROPEAN AFFAIRS

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DEPARTMENT OF STATE
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MAY 8 - 1934
ASSISTANT SECRETARY OF STATE

770.00

MAY 4 - 1934

DEPARTMENT OF STATE
APR 20 1934
DIVISION OF NEAR EASTERN AFFAIRS

770.00/334

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that military commissions from the countries of Czechoslovakia and Jugoslavia arrived in the city of Bucharest on the evening of March 23, 1934. Together with representatives of Rumania, the Czechoslovakian and Jugoslavian commissions will form a military commission or council that will evidently formulate and determine the military position of the Little Entente.

note
860 F.2371
860 H.2371

MAY 10 1934
FILED

A series of important meetings and dinners and receptions has been outlined for the visitors. On the morning of the 24th of March the combined commissions

made

made an official call on the Rumanian Chief of Staff, General I. Antonescu, and the Minister of National Defense, General Uica. At noon of the same day they were received by Mr. Sadu Radulescu, the Undersecretary of State for Foreign Affairs, and in the afternoon the three General Staffs conferred. March 25th was consumed mostly with a conference in the office of the Rumanian Chief of Staff, after which, in the afternoon, they visited the tomb of the Unknown Soldier and the military museums. The evening was given over to dinners and military receptions in the Czechoslovakian and Yugoslavian Legations. March 26th was spent in a visit to Campina and the petroleum refinery of the Steaua Romana. At noon the commissions visited Sinaia and the Royal Palace. On March 27, Prime Minister Tătărescu met with the combined military missions at the office of the Rumanian Chief of Staff, and on March 28 important conferences were held at Bucharest throughout the day. On March 29 the Minister for Foreign Affairs, Mr. Titulescu, convened an important meeting of the three Chiefs of Staff of the countries comprising the Little Entente, and learned of the results of their conferences.

The Legation is informed by a reliable newspaper representative, that it is the custom of the countries comprising the Little Entente to have their Chiefs of Staff meet in conference at least once a year. It is whispered in Bucharest now, however, that the meeting in Bucharest at this time has an unusual significance attached to it, in view of the Italian, Hungarian and Austrian pact so recently signed at Rome, and especially

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the speech of Mussolini outlining Italian sympathy for the position of Hungary and the necessity for a quick remedy to be applied for the solution of Hungary's troubles. It is frankly my opinion that the speech of Mussolini in which he openly expressed his sympathy for the revisionist aims of Hungary has all but created a panic in Rumania. No doubt the speech has had the same effect on other members of the Little Entente.

At the invitation of the Minister for Foreign Affairs, I attended a reception at the Ministry of Foreign Affairs last night. In a discussion of the work of the military commissions now in session at Bucharest, with several members of the Rumanian Foreign Office and also with Mr. Irimescu, the Minister for Aviation, I was informed that the important question of uniformity of armaments was discussed and in all likelihood a complete accord had been reached for the arming of all three members of the Little Entente with the same calibre and type of armaments. It appears from the best information I could get in conversation with these Rumanian officials, that the three countries comprising the Little Entente will use the same type of infantry rifle, the same manufacture of larger calibre guns for their artillery, so that there would be a similarity throughout the three countries in the use of their arms of defense, and particularly, that they will apply the principle of the same manufacture of munitions so that the same calibre gun of whatever size could be made interchangeable. The question of immediately coordinating the action of the three armies of Rumania,

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Czechoslovakia and Jugoslavia in the event of war was also carefully gone into. Just what decision was reached, if any, I have not been able to learn from anyone who really knows, as yet.

It has leaked out, however, that the military commissions of Jugoslavia and Czechoslovakia are very sorely disappointed with the state of preparedness for war in Rumania. It appears that Rumania is completely unprepared in her armaments. The rifles of the infantry-men are old and composed of so many different makes and manufactures that it would be almost impossible to manufacture ammunition to be effective in warfare. The discussions that have been held have been secret, and details thereof are therefore not available. I shall undertake to follow the subject matter of these meetings and discussions and report any findings of importance immediately to the Department.

In conversation with one member of the Rumanian Government I found that he was taking pride in the fact that so much military preparation was being had and the discussion of war preparations being the subject of conversations of the evening, so I ventured the question to the Minister: "Who are you preparing to attack?" To which he replied: "Anybody attacking Rumania." I asked him if he did not think that "the rule of reason and an attitude of conciliation and a willingness to discuss the differences of opinion with former foes would not perhaps be the better method to quiet down all rumors of war." To which the Minister replied that those who should listen had passed the listening stage, and that the holding of conversations with former foes was

next to impossible.

Mgr. Valère Valeri, Papal Nuncio, was present at the reception last night and expressed his alarm and fear over a condition that would cause to bring about so many discussions of the Chiefs of the armies of the countries of the Little Entente. I asked him if he could interpret a distinct tendency towards peace in this part of the world, and he replied that he regretted very much he saw no signs for the immediate settlement of the differences of opinion between the Balkan countries,- "Very little progress is being made towards peace."

Respectfully yours,

Alvin M. Owsley.

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770.00/335 TO 343

SEE 740.0011 MUTUAL GUARANTEE/45 TO 53
,BALKAN,

DEPARTMENT OF STATE
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G-2 Report

6940

YUGOSLAVIA (Military)

Subject: General Staff Military Mission of the Little Entente to Bucharest.

770.00/344

1. During the later part of March representatives of the General Staffs of the Little Entente, Yugoslavia, Czechoslovakia, and Rumania, went to Bucharest for a conference on military subjects concerning the Little Entente. No details of the conference have as yet been determined.

2. One of the subjects considered will undoubtedly be the following: Subsequently to the Sinai Conference in September, 1933, a subject of vital concern to the military of the Little Entente was confidentially proposed. This was to provide at a later date for a general military conference to look into the feasibility of a general plan to standardize all military equipment, arms and ammunition, in order that the military resources of the member states of the Little Entente may become a general pool reserve for their armies in case of war. All new purchases, it was proposed, should be of the newly planned standard type. This will be a boon to Skoda and its affiliate Schneider-Creusot who probably gave birth to the idea originally. The recently signed Balkan Pact has given, if nothing more, the color of potential military backing which it lacked before.

3. The Chiefs of the General Staffs and Ministers in meeting at Bucharest are

General Ludwik Krejci of the Czechoslovak General Staff,
General M. Milovanovitch of the Yugoslav G.S.,
General I. Antonesco of the Rumanian C.S.

Assistants: Yugoslav Generals Peter Kositch, P. Aratitch, D. Zhivkovitch; Cols. Stefanovitch, K. Adamovitch, B. Maglitch; Lt.Col. N. Racochevitch; Col. M. Staitch, M/A at Bucharest.

Czech Generals: Husarek, B.Neuman; Cols. Simon Drgac, F.Bohuslav, K. Vaclac; Lt.Cols.M.Jaromir, K.Cenek; Majors L. Karel, B. Otakar, I. Rujek, F. Mouzer, B. Frantisek, and Lt.Col. H. Pika, M/A of Czechoslovakia at Bucharest.

Rumanian: General Gr. Cartian; Cols. Al. Tataresco, G. Mihail, G. Rozin; Lt.Col. C. Teodorini, A. Pastia, and Serge Nenisov.

From: M/A Belgrade Report No.3553 (p.1) April 4,1934

4. Air Equipment: Whether the plan will apply to air equipment is not known. However, it is known that the air forces of both Yugoslavia and Rumania are far from satisfactory and neither could meet the demand of the initial phases of war. The bulk of the Yugoslav Air Force would have to be grounded in case of war. Of her total of approximately 450 serviceable planes, only a small number could meet war demands. At present she has about 50 new French planes (Breguets) awaiting motor installation. The engine intended for these planes is the K 14 air-cooled engine. This, however, has not given satisfactory results. Recent tests have shown that this engine has a defective crank shaft, making the engine overheat, causing it also to be unstable and incapable of sustained flight. An additional central bearing for the shaft is needed to prevent excess strain, overheating, and ultimate fracture. Redesign will be necessary. In the meantime the new planes continue grounded. British pursuit type planes have given satisfactory flight tests. Yugoslavia, however, tied her Air Force policy to the tail of the French kite, so we look for only French air material for Yugoslavia. It is expected also that the Ministers of Foreign Affairs will begin visits to France and Czechoslovakia to sound out new loans or munitions credits if the outcome is favorable.

Source:
Confidential sources, believed reliable.
Also digest of press reports, Bucharest.

F. L. WHITLEY,
Lt. Colonel, Inf.,
Military Attache.

7710.00/344

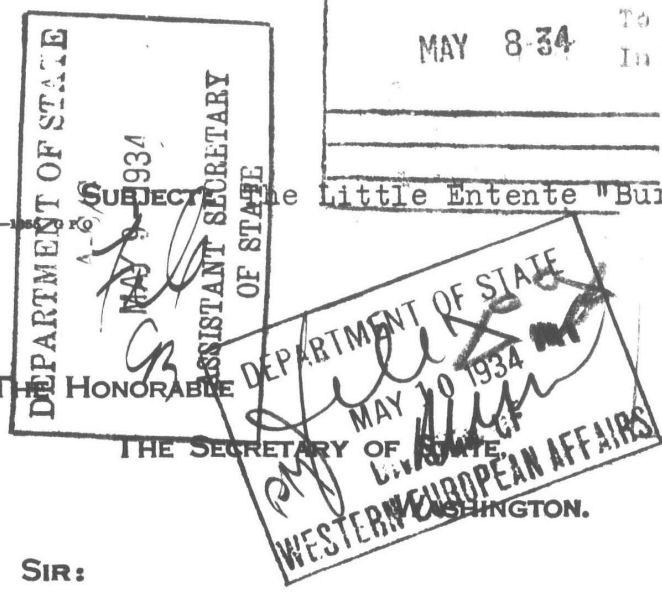
770.00/345 TO 350

SEE 740.0011 MUTUAL GUARANTEE/54 TO 59
, BALKAN,

NO. 884 Political

AMERICAN CONSULATE,

Geneva, Switzerland, April 24, 1934.



770.00

SUBJECT: The Little Entente "Bureau" at Geneva.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Commercial Office (A-C/O)
To Bucharest
Belgrade

770.00/351
5/9/34
GB

SIR:

I have the honor to advert to references which have occasionally appeared in the press during the last year to an "office" or to a "bureau" or to a "secretariat" of the Little Entente at Geneva. Doubtless these references have been observed by the Department. I likewise made note that the setting up of such an activity at Geneva on the part of the Little Entente was mentioned in two despatches from the American Legation at Bucharest, i.e. No.996 dated December 27, 1932 and No.1025 dated February 21, 1933. It thus occurs to me that in view of its political bearing, some knowledge of this matter might be of interest to the Department.

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The representatives of the Little Entente do not maintain a separate office in Geneva nor has any formal organization been established. Such organization as exists is largely of the nature of a working agreement. It consists in very

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in very frequent personal meetings or personal exchanges between the local representatives of Czechoslovakia, Rumania, and Yugoslavia. The personal meetings are, however, chiefly between M. Antoniade and M. Fotitch, the respective Rumanian and Yugoslav delegates, as both are resident in Geneva; on the other hand, M. Künzl-Jizersky, Czechoslovak delegate to the League, resides in Bern and, while he comes to Geneva approximately once a month, relations between him and his Little Entente colleagues are conducted largely by telephone. The ranking secretaries of these three delegations also constitute something in the nature of an informal secretariat. These officials are assigned to League questions of common interest to the three states; and they exchange information and work together respecting these questions. The Third Secretary of the Rumanian Delegation, Baron Ionel de Styrcea, acts as secretary in common to this group of three in matters of routine and his name has appeared in some lists of officials in Geneva as "Membre de la Section du Secrétariat de la Petite Entente à Genève", a title which, however, can scarcely be regarded as having a recognized official status.

I am informed by representatives of the Little Entente at Geneva that they are not under any general instructions to act in concert on all League questions, but that rather in respect to such action each case is considered on its merits and that common action is taken only when the situation warrants.

On the more technical side of what might be termed diplomatic representation, it has undoubtedly been noted by the

Department

Department that in various commissions of the Disarmament Conference, a single official of one of the Little Entente states has on occasion spoken for all three and that his action in this respect has been recognized and accepted in that light. Moreover, M. Fotitch informs me that on one occasion requiring immediate action in relation to a minority question affecting Czechoslovakia, in the absence of a Czechoslovak colleague, he took the matter up formally with the Secretary-General of the League on behalf of Czechoslovakia and that the Secretary-General recognized him fully as acting in that capacity.

Respectfully yours,

Prentiss B. Gilbert,
American Consul.

Original and three copies to Department of State
One copy to American Legation, Prague
One copy to American Legation, Bucharest
One copy to American Legation, Belgrade
One copy to American Legation, Bern

PBG/GdeW

DOCUMENT FILE

NOTE

770.00/352

SEE 867.34/152 FOR #3581

FROM Military Attache, Greece ( ) DATED April 11, 1934

TO NAME

1—1127

REGARDING: War in the Balkans.

Comments on danger of -.

352

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770.00/353 TO 356

SEE 740.0011 MUTUAL GUARANTEE/60 TO 63
,BALKAN,

DOCUMENT FILE

NOTE

SEE 367.1164 R 54/105 FOR #234

FROM Greece (MacVeagh) DATED April 28,1934

TO NAME I—1127 GPO

REGARDING: Influence exerted by Robert College upon cultural relations of the Balkan Nations.
Translation of an article from HESTIA, which is edited by Mr. Kyrou, concerning --.

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770.00/357

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770.00/358 TO 366

SEE 740.0011 MUTUAL GUARANTEE/64 TO 72
,BALKAN,

16168

LEGATION OF THE
UNITED STATES OF AMERICA

Prague, May 15, 1934.

No. 180

Subject: Czechoslovak Reaction to Little Entente Economic Conference at Bucarest.

SPECIAL ASSISTANT TO THE SECRETARY
JUN 26 1934
MR. HEWES

Office of Economic Adviser
JUN 16 1934
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JUN 1 1934
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
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JUN 11 1934
ASSISTANT SECRETARY
OF STATE
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DEPARTMENT OF STATE
JUN 14 1934
DIVISION OF
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Assistant Secretary
of State
JUN 18 1934
MR. SAYRE

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JUN 28 1934

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The Honorable

The Secretary of State,

Washington

Sir:

I have the honor to give below, for such interest as it may present, the substance of a conversation with Dr. Stangler, the Assistant Chief of the Commercial Division of the Foreign Office, who recently returned from Bucarest where he headed the Czechoslovak Delegation to the Little Entente Economic Conference:

In reply to my question as to why nothing had appeared in

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the local press with regard to that Conference, with the exception of a short official communiqué issued by the Government, Dr. Stangler replied that the results of the Conference had not been such as to warrant a greater degree of publicity.

He said that when the Czechoslovak Delegation arrived at Bucarest it found that Germany had offered Yugoslavia preferential duties on wheat, corn and dried and fresh fruits, in addition to the release of devisen with a view to increasing German tourist traffic to Yugoslavia. This offer had been accepted, and in return Yugoslavia had agreed to give Germany tariff reductions on a considerable number of manufactured articles. Roumania, he continued, had made various changes in her tariff and contingent regulations, which complicated matters, and had even gone so far as to establish a tax to be met by the foreign exporters of merchandise to Roumania, which would adversely affect Czechoslovak exports to that country.

Dr.Stangler pointed out that this state of affairs made it practically impossible, for the time being at any rate, to make headway toward materially increasing the mutual exchange of merchandise between the Little Entente countries. He also said that the Bucarest Conference had been badly prepared, especially on the Yugoslave side, and that that country had sent poorly equipped officials to the Conference. Furthermore, the various commissions established by the Prague Conference last January had done their work badly.

Dr. Stangler said that in view of this situation he had at once realized the impossibility of making progress along the line of increasing the exchange of merchandise between Czechoslovakia, Roumania

and/

and Yugoslavia; and that he had therefore exercised his influence to persuade the Conference to concentrate its efforts on strengthening the postal, telegraph and telephone, as well as communication, ties between these countries. In this field a certain degree of success had been obtained, and a Postal Union between Czechoslovakia, Roumania and Yugoslavia would have been signed had it not been for the fact that the Yugoslav Delegation was powerless to act without first referring the matter to Belgrade for further study. He is, however, of the opinion that a Postal Union between Czechoslovakia, Roumania and Yugoslavia will be signed at the next Little Entente meeting.

Continuing, Dr. Stangler said that Czechoslovakia was doing everything possible to insure that the next Economic Conference of the Little Entente, which will be held at Belgrade in August, is a success; and that the various committees composed of representatives of the three countries were already studying the problems assigned them, with a view to the submission of these problems to that Conference for immediate solution.

From what Dr. Stangler has told me it is evident that the recent Little Entente Economic Conference was somewhat of a disappointment to this country. Czechoslovakia now seemingly realizes that a customs union between the Little Entente States, or even an increased exchange of merchandise between them, is unlikely, for the time being at any rate; and that the fact must be faced that the economic interests of Czechoslovakia, Roumania and Yugoslavia are not identical, and that consequently it will always be difficult for them to work together

closely/

closely in the economic field. The "failure" of the Bucarest Conference, in Dr. Stangler's opinion, will not affect the political ties uniting the Little Entente countries, which should continue as strong as ever.

Respectfully yours,

J. Webb Benton

J. Webb Benton
Chargé d'Affaires ad interim.

JWB/MC
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Copy to E.I.C.

770.00/368 TO 371

SEE 740.0011 MUTUAL GUARANTEE/73 TO 75

,BALKAN,

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LEGATION OF THE
UNITED STATES OF AMERICA

Prague, May 26, 1934.

No. 189

Subject: Economic Cooperation between the Little Entente States.

SPECIAL JUN 2 1934 MR. HEWES

DEPARTMENT OF STATE A-C/C JUN 20 1934 ASSISTANT SECRETARY OF STATE FILE

DEPARTMENT OF STATE JUN 19 1934 DIVISION OF WESTERN EUROPEAN AFFAIRS

Office of Economic Advisor JUN 28 1934

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DEPARTMENT OF STATE JUN 26 1934 DIVISION OF NEAR EASTERN AFFAIRS

JUN 20 1934

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FILED JUL 3 1934

The Honorable

The Secretary of State,

Washington

Sir:

Adverting to previous despatches from this Legation, relative to the recent Economic Conference of the Little Entente States at Bucharest, I have the honor to transmit herewith the copy of an article entitled THE ECONOMIC LITTLE ENTENTE, which appeared in the Warsaw ECONOMIST of April 14th last.

Although written a fortnight before the Bucharest Economic

Conference/

Conference, the article is particularly interesting, since it would seem to give an accurate analysis of the various difficulties confronting the Little Entente States in their economic cooperation.

Respectfully yours,

J. Webb Benton

J. Webb Benton
Charge d'Affaires ad interim.

Copy to E.I.C. Paris

JWB/MC
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Enclosure:
Mentioned above.

THE ECONOMIC LITTLE ENTENTE

THE ECONOMIST

April 14, 1934.

When the combination of political instransigence and economic nationalism in the Danube Basin became accepted, five years ago, as the post-war norm, a plan was drawn up for the forging of economic links to reinforce the political links between the three Little Entente States, Czechoslovakia, Roumania and Yugoslavia. Only at the beginning of 1934, however, was it decided gradually to apply it. Close examination of the possibilities of economic collaboration between the three States takes away much of the initial enthusiasm. Certainly international collaboration is the only way to economic reconstruction, but it remains to be seen whether these three countries constitute an apt and complementary group. The figures of international trade between the three countries in the last two years, the trend of which is shown in the following table, are not very promising:

Foreign Trade of Roumania

	Imports		Exports	
	1932	1933	1932	1933
From or to-	%	%	%	%
Czechoslovakia	12.20	9.51	6.97	4.73
Yugoslavia	0.42	0.76	1.37	1.28
Trade with the two countries of the Little Entente	12.62	10.27	8.34	6.01
Austria	4.88	9.34	6.38	6.56
Hungary	2.12	2.79	5.40	3.79
Bulgaria	0.12	0.20	0.75	0.68
Trade with the States of the Danube Basin	19.74	22.60	20.87	17.04
Germany	23.69	18.94	12.34	10.58
Italy	11.00	10.23	10.64	9.27
Switzerland	2.87	3.14	2.26	0.63
Trade with all Central Europe	57.30	54.91	46.11	37.52

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Foreign Trade of Czechoslovakia

From or to-	Imports 1932 %	Imports 1933 %	Exports 1932 %	Exports 1933 %
Roumania	4.47	3.03	4.10	3.79
Yugoslavia	5.20	3.96	5.50	3.37
Trade with the two countries of the Little Entente	9.67	6.99	9.60	7.16
Austria	6.01	5.12	14.13	12.33
Hungary	1.61	2.86	2.74	3.25
Bulgaria	0.72	0.80	0.86	0.33
Trade with the countries of the Danube Basin	18.01	15.77	27.33	23.07
Germany*	26.38	20.76	16.34	17.87
Italy #	3.38	4.05	2.64	2.79
Switzerland	2.90	3.07	4.21	4.59
Trade with al Central Europe.	50.67	43.65	50.52	48.32

*Excluding transit via Hamburg and Bremen.
#Excluding transit via Trieste.

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Foreign Trade of Yugoslavia
(First 6 months only)

From or to-	Imports 1932 %	Imports 1933 %	Exports 1932 %	Exports 1933 %
Roumania*	2.11	2.79	0.24	1.13
Czechoslovakia	13.03	6.34	16.28	12.20
Trade with the two countries of the Little Entente	15.14	9.13	16.52	13.33
Austria	12.56	15.80	17.77	23.73
Hungary	4.15	4.18	4.71	3.43
Bulgaria	0.39	0.03	0.09	0.07
Trade with the countries of the Danube Basin	32.24	29.14	39.09	40.56
Germany	18.76	12.80	9.98	13.60
Italy	11.81	16.20	26.19	23.82
Switzerland	2.86	2.44	2.18	3.50
Trade with all Central Europe	65.67	60.58	77.44	81.48

*Excluding transit via Braila.

It will be seen that the recent movement in the three countries is not towards intensification of the"internal" trade of the bloc. Except in two minor cases, the relative figures show important decreases since 1932. As to the relative importance of this trade with the Danube Basin, it will be seen that Yugoslavia depends most upon it; Roumania is less interested, but its imports from that region show an increase; Czechoslovakia is the least interested, and both its imports from and its exports to the Danube Basin declined in 1933. It should be remembered that for two and a half years Czechoslovakia has had no commercial treaty with Hungary, which accounts for the remarkably low figure of trade with its southern neighbour. Could this defect be overcome the total trade of Czechoslovakia with the Danube countries would be somewhat larger. The striking increase in the percentage of Czech imports from Hungary in 1933 is the result of a better understanding on Czechoslovakia's side of the necessity for making concessions over imports of agricultural produce. As to the three States' totals of foreign trade with Central Europe, it is interesting to note that Yugoslavia again shows the greatest dependence on it, while the other two States of the Little Entente are becoming increasingly dependent on other markets, viz., Roumania for her exports on those of Western Europe, and Czechoslovakia on those of other continents.

The conference in Prague last January was expected to devise means to divert a more considerable portion of the foreign trade of the three States within the frontiers of the group. But the commission entrusted with the execution of this programme has to steer carefully between the Scylla of vested interests of other countries, and the Charybdis of autarkic tendencies within each of the three member countries. The

present/

present narrow stream of internal trade of the group can be widened only in two ways: either at the cost of foreign imports into the combined territory of the three States, or by large-scale rationalisation of the hitherto independent economic units. Both of these solutions must meet serious resistance either by "third-party" countries or by domestic producers, for example, the Czechoslovak farmers and the industrialists of Roumania and Yugoslavia. Even after successfully establishing the line along which the greatest headway could be made with the least friction, the effective possibilities of increasing trade between the three States are very modest. What could be done to this end?

Industrial output in Roumania and Yugoslavia consists chiefly of mining and working-up domestic raw material, or of supplying the Army and the railways. Not one of the three countries can entirely dispense with such industries at present: in the case of the former on account of the economic loss which their eclipse would entail, and in the case of the latter because of present political conditions. The total value of the industrial and mining output of Roumania was estimated in 1931 (for 1932 no total figures are available) at 44,352 million lei, or £ 54.2 millions gold. Out of this, industries account for 33,150 million lei, or £ 40.5 millions gold. Of this total 14,250 million lei represent the total value of the output of such industries as are needed in the country itself for export purposes, e.g., refineries, saw-mills, or for supplying the domestic market, e.g., flour mills, sugar factories, breweries, bakeries, etc. Another 10,772 million lei represent the total value of the output of industries on which the equipment of the Army and the railways is based, e.g., the cotton and wool industries,

iron/

iron works and steel shops, railway wagon works, etc. Thus, 42.90 per cent, of total industrial production consists of output natural to Roumania or of products which national sentiment will not allow to be imported from abroad; and at least part of the remaining 32.50 per cent has to remain, for reasons of State, "tabu." What could Roumania, therefore, offer to Czechoslovakia in order to increase trade between them?

Parallel with the protection which Roumania and Yugoslavia extend to their industries, Czechoslovak farmers enjoy the advantage of high tariffs and prohibitive import restrictions. The import into Czechoslovakia of wheat and flour, which was once of great importance to both Roumania and Yugoslavia, was free of all duties up till December 1926. Thereafter it was subjected to a minimum duty of 30 crowns per metric quintal; and in December, 1930, the minimum duty was raised to a fixed duty of 50 crowns, and an additional "sliding" duty, which has ever since, been one of 25 crowns. The total of these two duties equals, at present, roughly 100 per cent, of the c.i.f. Hull price of Manitoba No. 1 wheat! The situation is even worse as regards cattle and hogs, exports of which are of primary importance for Yugoslavia and Roumania. The Czechoslovak agrarian reform transformed the former large estates into small holdings, and the peasants turned more and more to raising cattle and hogs. At present Czechoslovakia no longer needs cattle and meat imports, and the figures for hog imports show a marked decrease. Taking the imports of 1928 as a basis, the figures show the following trend:

Imports of Hogs and Lard into Czechoslovakia.

Year	Index (1928 total = 100) Lard	Hogs	Share of Total Imports of Hogs: Roumania %	Yugoslavia %
1929.....	109.75	93.49	7.27	5.56
1930	86.29	63.04	10.35	5.50
1931	71.24	21.98	37.83	50.94
1932	64.88	15.96	32.00	41.21
1933	44.67	12.08	23.88	44.08

Countries whose agriculture is based on small holdings necessarily develop in the same direction, viz. towards a self-sufficing production of cereals and an increase of cattle-raising. Czechoslovakia will not change her tariff policy altogether, which is the direct consequence of the post-war agrarian reforms. No external political sympathy can be strong enough to allow a Czech Government to go back on a former land redistribution which has profited no less than 37 per cent. of the total population!

As to closer collaboration by the three countries through restricted imports from outsiders, even the most careful policy could not fail to provoke retaliation. There may be some prospect of Czechoslovak industries supplying Roumania and Yugoslavia with semi-finished and finished goods, which the latter now buy from other countries. Of the total imports into Yugoslavia, in the first half-year of 1932 and 1933 semi-finished goods represented 19.48 per cent, and 17.42 per cent., and finished products no less than 65.62 per cent, and 70.28 per cent, respectively (Roumanian statistics do not show the relevant figures). Since elasticity is inherent in most industries, Czechoslovakia may be put in a position to develop its industrial programme if the Convention of the Little Entente secures for her 31 millions of new customers for a long period.

On/

On the other hand, possibilities of greater imports from Roumania and Yugoslavia into Czechoslovakia are limited. According to Czech statistics , nearly one-half of the aggregate imports (45.14 per cent, and 46.31 per cent, in 1932 and 1933 respectively) are commodities which are not produced at all in Roumania and Yugoslavia. Moreover, the categories constituting the remaining 55 per cent, of the total of Czech imports cover to a great extent commodities which are not produced in Europe, such as rice and soya beans. At present 17.70 per cent, and 14.71 per cent, out of a total of Kč 3.4 billions in 1932 and Kč 2.7 billions in 1933 respectively, are being supplied by Roumania and Yugoslavia. So long as wheat and cattle imports are restricted to their present level there remains a rather narrow margin between the present level of Czech imports from these two countries and any possible increase. Unless the working-out of the project of an economic Little Entente reveals more hopeful lines of trade expansion within the bloc, the advantages of close economic collaboration between the three States are likely to be outweighed by losses which they may suffer in their aggregate exports through retaliatory measures by other countries.

770.00/373,374

SEE 740.0011 MUTUAL GUARANTEE/76,77
,BALKAN,

LEGATION OF THE
UNITED STATES OF AMERICA

No. 121. Bucharest, May 12, 1934.

Subject: Convening of the Economic Council of the Little Entente in Bucharest on April 30, 1934.

DEPARTMENT OF STATE
JUL 11 1934
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Assistant Secretary of State
JUL 20 1934
MR. SAYRE

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To the Field
In U. S. A.

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DEPARTMENT OF STATE
A-C/C
JUL 9 1934
ASSISTANT SECRETARY OF STATE

DEPARTMENT OF STATE
JUN 29 1934
DIVISION OF
NEAR EASTERN AFFAIRS

Office of Economic Adviser
JUL 17 1934

SPECIAL ASSISTANT TO THE SECRETARY
JUL 20 1934
MR. HEWES

770.00
770.50 - Bucharest

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer the Department to the Legation's despatch No. 117 of April 26, 1934, announcing the convening in Bucharest of the Economic Council of the Little Entente on Monday, April 30, 1934.

871.51/966

The first session was presided over by Mr. Titulescu. His address is of importance, and I will run the risk of burdening the Department with some of the suggestions he made to the delegates present, around which their labors would naturally fall during this conference. We must remember that the first meeting of the Economic Council

of

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JUL 21 1934

of the Little Entente met at Prague last January.

Mr. Titulescu stressed the high importance of continuous effort and permanent contact of the organization of the three countries, to solve the problems common to all. The purpose of the meeting, said he, "is to examine whether the resolutions adopted have been put into practical application and whether the results met with expectations. * * * * Moreover in view of the present economic conditions, periodic meetingsof this kind will permit of modification, if necessary, and the taking of suitable measures to meet the changed situation. The following questions are submitted for your examination, i.e.-

1- "Elaboration of a statute of the Economic Council of the Little Entente.

2- "The study of commercial relations between the three countries (Rumania, Jugoslavia and Czechoslovakia). It is a question of intensification,- in fact this is the principal problem. In spite of the statement that has been made that it is very difficult to intensify commercial relations between our several states, * * * * progress can be made. * * * You should examine the capacity of absorption of each country and not forget that difficulty comes from the fact that the three countries do not know sufficiently their possibilities of export nor their reciprocal needs. * * * Intensification * * * is a question of organization and good will."

The importance of the political effect that their decision concerning economic problems will have was stressed by the Rumanian Foreign Minister, Mr. Titulescu undertook to impress upon the delegates the high importance of an "association of effort for general interests, which would bring central Europe closer together and not divide her into rival blocks."

It is quite apparent that the representatives of

the

the Little Entente have come to Bucharest to study in common the reciprocal and compensatory ability for commercial and economic demands, one as against the other, and to determine how completely the three countries composing the Little Entente are really compensatory, one with the others. At a former writing we have discussed the futility of these discussions. We can not help but wonder if the estimates formerly given us of the economic ability of each country and the glaring failure of the combined three to be "compensatory" within themselves is correct. As high as our admiration can possibly go for the distinguished Rumanian statesman, Mr. Titulescu, we do not concede to him the ability to bring about the impossible, and very likely Rumania will err in her economic estimates because of the intense enthusiasm on the part of her Minister for Foreign Affairs for the political effect that must be produced to hold together the Little Entente. The recent import quota law and the announced policy for its administration are yet very vague and indefinite; but certainly there is evidence that Parliament in its last session just closed was endeavoring to force the application of "compensation" upon each foreign country seeking to do business with Rumania. It may be that a generous interpretation of the new law will be favorable to the other two members of the Little Entente. This remains to be seen.

I think an article in the UNIVERSUL of May 7 is about correct when it substantially says that the public of the three countries (the Little Entente) is hopeful that some sort of an accord will be reached by the

Economic Council of the Little Entente, by which the political Little Entente will be strengthened. This newspaper, friendly to the National Liberal Party now in power, admits that no one "pretends definite solutions will be reached soon on all questions. * * * * The economic life primes the political, and political accords will serve no purpose if the economic antagonisms are not removed so that economic interests of the three countries can be harmonized."

1/ I attach hereto a summary of the proceedings and accomplishments of the Council contained in a communication issued by the Executive Committee at the close of their sessions.

From conversations I have had with the several Ministers, I am led to believe that there is some doubt in the minds of some of the practical business men who are in the heart of the Ministries that much in the way of practical results can be had from the deliberations of the Economic Council. Some of the Rumanians talk very freely, and express their minds openly when interrogated on these matters; and in this way I have been led to believe that there are enough of them studying their problems who can see that after all, the political effect overshadows the practical economic results to be accomplished. There seems to be no limit to the number of speeches, arguments and conversations now taking place in Rumania and the bordering countries. Delegations and special commissions and envoys are being sent from Rumania to her neighbors as far down as France - to talk about postponement of the payment of their debts,

disarmament

disarmament, the purchase of war materials for national defense, and kindred subjects. There is a hazy, indefinite, unsettled atmosphere about it all. The truth is, to my mind, the Rumanians feel the necessity of doing something to better their financial and economic condition, and they have not found the method or the course to pursue. There is a total lack of a check and balance and of cooperation between the several Ministries. They are unable to fix a program and stick to it; their course is marked with instability and uncertainty. I think that is largely the result of their inability to find a strong leader capable of coping with the situation. I think it can be truthfully stated that the present Prime Minister, Tătărescu, is doing his very best and is increasing in strength and popularity as the dominant character within his party. We must be reminded, however, that he is not the President of the party, because this portfolio falls upon Constantine Bratianu. It is evident then that there is a division of the actual leadership of the party and the statesmanlike course that surely must be pursued by the President of the Council who is responsible for the conduct of the party outside of purely political considerations. From many indefinite sources there is an indication that a break will soon come between Tătărescu and Bratianu to determine who shall in the future be the absolute dictator of the National Liberal Party now entrusted with the government by the Crown.

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Respectfully yours,

Alvin M. Owsley.

Enclosure: 1-
Summary of the proceedings & accomplishments of the Economic Council of the Little Entente.

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AMOPEMS.

In translation from UNIVERSUL (independent-owned by Liberals) of May 11, 1934.

Enclosure No. 1 to Despatch No. 121 of May 12, 1934 from American Legation, Bucharest, Rumania.

OFFICIAL COMMUNIQUÉ OF THE ECONOMIC COUNCIL OF THE LITTLE ENTENTE.

I.

The Economic Council of the Little Entente met in its second session at Bucharest on April 30, 1934. After the opening session, presided over by His Excellency Mr. N. Titulescu, Rumanian Minister for Foreign Affairs, the council was divided into a number of commissions as follows:

1) Commission to consider interior rules (the statute) for the economic council;

2) Commission to study the reciprocal commercial relations and the means to be employed for their intensification;

3) Commission for examining the activity of the national sections and applying the resolutions adopted at the first meeting of the Council at Prague;

4) Commission for communications;

5) Commission for financial questions;

6) Drafting committee.

The commissions worked from May 1 to May 8.

The Council, in plenary session on May 6, His Excellency, N. Titulescu, presiding, has adopted the resolutions prepared by these commissions, subject to the acceptance of the Permanent Council.

The labors of this session terminated on May 9, 1934.

II.

Continuing the efforts for economic collaboration, whose basis was laid at the first session of the economic council, which took place at Prague in January 1934,

the

the council:

1) Elaborated the rules for governing the internal conduct (the Statute) of the council;

2) Studied new commercial relations between the three countries;

After a detailed discussion on the question of commercial exchange between the three countries of the Little Entente, the economic council recognized that the development of reciprocal commercial relations remains the essential problem of economic rapprochement between the three countries of the Little Entente.

Having in view the importance of this question, the economic council has decided that, outside of the necessity of continuing the execution of the present bilateral accords in force between the three countries of the Little Entente, the national sections should be charged to study:

a) the situation of each of the three countries with respect to its commercial conventions;

b) the general and special economic conditions, a knowledge of which is necessary for realizing the economic rapprochement which will serve as a basis of discussion at the next meeting of the economic council.

3) Adopted the texts of a project of railway cooperation of the three countries.

4) Adopted the texts of an accord for the cooperation of the Danubian navigation companies of the states of the Little Entente.

5) Took cognizance of the accords with regard to aerial navigation, initialed between Czechoslovakia and Rumania following a plenary conference of experts at Bucharest,

Bucharest, and recommended these accords for study and adhesion by the Yugoslav national section.

6) Examined the efforts made for executing the other resolutions adopted at Prague (cooperation of the Postal, Telegraph and Telephone economic institutes, standardization, statistics, unification of the customs law and the commercial law, collaboration of the banks of issue and of savings banks, postal money orders, etc.).

It has been noted that the committees and the national organs provided, for putting the resolutions drawn up at Prague into effect, are constituted in the three countries and in a very large measure have begun their labors.

7) Pointed out the necessity of continuing the labors in the interval which separates the sessions, and toward this end took the necessary measures.

III.

The next meeting of the council will take place in Yugoslavia on August 20, 1934.

LEGATION OF THE
UNITED STATES OF AMERICA
Prague, June 14, 1934

No. 213.

Subject: Bucharest Meeting of the Permanent Council of the Little Entente.

Office of Economic Adviser
JUL 9 1934
DEPARTMENT OF STATE

DIVISION OF WESTERN EUROPEAN AFFAIRS
JUL 13 1934
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-C/C
JUN 30 1934
ASSISTANT SECRETARY OF STATE

DEPARTMENT OF STATE
JUN 30 1934
DIVISION OF WESTERN EUROPEAN AFFAIRS

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MR. HEWES
JUL 12 1934
SPECIAL ASSISTANT TO THE SECRETARY

Assistant Secretary of State
JUL 12 1934
MR. SAYRE

JUL 2-1934

DEPARTMENT OF STATE
JUL 7 1934
DIVISION OF NEAR EASTERN AFFAIRS

770.00/376

FILED
JUL 17 1934

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform you that during the course of a recent conversation with a high official of the Foreign Office the latter outlined the agenda of the meeting of the Permanent Council of the Little Entente, which is to begin in Bucharest on June 16th, and the Czechoslovak point of view thereto.

My informant said that the three Foreign Ministers would first endeavor to find a way out of the "deadlock", which resulted from the recent Bucharest meeting of the Economic Council of the

Little

Little Entente. This matter was fully reported on in my despatch No. 180 of May 15th last.

Czechoslovak officials are in the main pessimistic over the possibility of an early and satisfactory solution of this problem, and point out that it is far easier for Czechoslovakia, Roumania and Jugoslavia to reach an understanding on political questions than on economic. They feel that Jugoslavia "betrayed" her partners by presenting them with a "fait accompli" insofar as the Jugoslav-German commercial agreement is concerned. They also fear that Roumania's probable inability to export agricultural products this year, as a result of the promised poor harvest, will make it impossible to import Czechoslovak industrial products.

In addition, the Little Entente Foreign Ministers will also study the question of the regional pacts, as proposed by Soviet Russia and seconded by France (Eastern Locarno Pact and South Eastern Mediterranean Pact), the European situation, including the Austrian problem, Soviet Russia, and the outlook for disarmament.

With regard to the latter problem, my informant said that Czechoslovakia fully appreciates the fact that it was due to M. Barthou's energetic intervention during the recent meeting of the Bureau of the Disarmament Conference that the latter was kept alive, with the result that negotiations relative to security can continue. On the other hand, Czechoslovakia is rather pessimistic over the whole matter, since she feels that little of importance can be achieved as long as Germany remains away from Geneva and is in a position to rearm while the other Powers are discussing disarmament.

Respectfully yours,

J. Webb Benton,
Chargé d'Affaires ad interim.

Copy sent to E.I.C., Paris.

JWB/CCP
800

770.00/377

SEE 740.0011 MUTUAL GUARANTEE/78
,BALKAN,

LEGATION OF THE
UNITED STATES OF AMERICA

No. 153. Belgrade, June 22, 1934.

Subject: Meeting of the Council of the Little Entente at Bucharest.

DEPARTMENT OF STATE
JUL 26 1934
FOR DISTRIBUTION OF CHECK
To the Field
In U. S. A.
Copy to Legation, Bucharest
" " " Prague
" " Embassy, Moscow
DIVISION OF EASTERN EUROPEAN AFFAIRS
JUL 10 1934
DEPARTMENT OF STATE
DEPARTMENT OF STATE
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JUL 20 1934
ASSISTANT SECRETARY OF STATE
PM RECD
Bucharest
Prague
Moscow
7/24/34
770.00/378
FILED
JUL 28 1934

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the Yugoslav Press has for the past few days been largely filled with reports of the proceedings of the meeting of the Council of the Little Entente, held at Bucharest on June 18, 19 and 20. As the Legation at Bucharest has doubtless dealt fully concerning the meeting of the Council, I will merely report that the public opinion in Belgrade seems to be entirely satisfied with the result of the Conference and emphasizes the entire unity in the points of view of the three countries on practically all questions. The one point where agreement was not complete was that of the recognition of Soviet Russia, Roumania and Czechoslovakia having decided to grant such recognition while Yugoslavia still

still holds aloof. The reason for this attitude on the part of Yugoslavia is, I believe, indicated in the following article of the LONDON TIMES of June 19th:

> "It is reported that Mr. Yeftich explained to his colleagues the reasons why Yugoslavia has so far declined to recognize the U.S.S.R. These are stated to be, in the first place, King Alexander's feeling toward the family of the late Emperor, at whose Court he was brought up, and to whom he is related through his sister, whose husband, Prince John Constantinovich of Russia, was assassinated by the Bolsheviks. Secondly, gratitude for Imperial Russia's backing of Serbia during the war, which was largely due to the intervention of the former Russian Minister and Military Attaché to Belgrade, both of whom are now living in Serbia and have been sentenced to death in their absence by the Soviets; and finally, anxiety as to the fate of some 30,000 White Russians who have found refuge in Yugoslavia since the war."

I know from personal conversations with His Majesty that these are at least some of the reasons why he is extremely reluctant to establish relations with the Russian Government. From conversations, however, which I have had with the Minister for Foreign Affairs, I believe that Yugoslavia will in the not very distant future feel obliged to follow the example set by Roumania and Czechoslovakia, which are anxious to see full solidarity on all questions among the countries of the Little Entente. The Belgrade Press has almost completely ignored the position adopted by Yugoslavia in this matter and has emphasized the points on which the three countries are in full agreement. The decision reached by the Council of the Little Entente that it will never permit the restoration of the Hapsburgs in any form has caused general approval. Special comment has been made concerning the fact that Mr. Barthou, the French Minister for Foreign Affairs, visited Bucharest before the close of the meeting of the Council of the Little

Entente

Entente, and conferred with the three Ministers. This is taken as a further indication of the solidarity of the French-Little Entente Alliance.

The POLITIKA, commenting upon the meeting of the Little Entente, writes as follows:

> "The meeting at Bucharest of the Ministers of the Little Entente closed most successfully. As was anticipated, the Ministers, in the course of their conversations, confirmed the identity of their points of view on all their common problems. The desires of the Ministers of the Little Entente to organize peace is clearly expressed by the decision to support with all their power the organization of security by means of associations already formed or in process of formation."

Finally, continues the article, the Ministers of the Little Entente have publicly renewed the decision of that body not to permit under any form the return of the Hapsburgs, Roumania, Yugoslavia and Czechoslovakia being determined to use extreme measures in case of such an eventuality.

Respectfully yours,

Charles S. Wilson

Charles S. Wilson.

File No. 710.

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770.00/379 TO 381

SEE 740.0011 MUTUAL GUARANTEE/79 TO 81

,BALKAN,

Mrs. Collins

DOCUMENT FILE

NOTE

770.00 /382

SEE 771.00/26 FOR #126

FROM Rumania (Owsley) DATED May 14, 1934

TO NAME

1—1127

REGARDING: Proposed meeting of the Permanent Council of the Little Entente in Bucharest in May or June.

Remarks of Titulescu concerning -.

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At this juncture Mr. Titulescu was asked concerning the coming meeting of the Permanent Council of the Little Entente, he being this year's president, and he said: "The next meeting of the Permanent Council of the Little Entente will be held at Bucharest. The date is not yet fixed, probably during the latter part of May or early June." The questions that will occupy us particularly are without doubt,- disarmament, the Danubian Basin from the political and economic point of view, and the strengthening of economic ties between member states of the Little Entente."

Mr. Titulescu announced that it is very probable that during the months of May and June Rumania will have many official visits from representatives of many governments, and these occasions "will certainly be used for strengthening Rumania's international situation, which no one can contest to-day."

In this connection it is an open secret that

Bucharest

Bucharest has been full of an intense diplomatic activity on account of the approaching visit of Colonel Beck, Polish Foreign Minister, who arrived in Rumania on May 9, and remained May 10 and departed on May 11, and the arrival in Bucharest of Tewfic Rundi Bey, Turkish Foreign Minister, on May 11, and the early antiqipated visit of Mr. Barthou, Foreign Minister of France.

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SEE 740.0011 MUTUAL GUARANTEE/82,83
,BALKAN,

LEGATION OF THE
UNITED STATES OF AMERICA

No. 152. Bucharest, July 7, 1934.

Subject: Meeting of the Permanent Council of the Little Entente in Bucharest.

DEPARTMENT OF STATE
FILE
A-C/C
AUG 10 1934
ASSISTANT SECRETARY OF STATE

DEPARTMENT OF STATE
AUG 13 1934
DIVISION OF
WESTERN EUROPEAN AFFAIRS

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DEPARTMENT OF STATE
AUG 8 34
DIV. COM. & REC.

DEPARTMENT OF STATE
AUG 9 - 1934
DIVISION OF
NEAR EASTERN AFFAIRS

FILED
AUG 14 1934

770.00/385

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that the Rumanian press of June 20, last, announced the arrival in Bucharest of the Ministers for Foreign Affairs,- Mr. Benes of Czechoslovakia and Mr. Jeftich of Yugoslavia, who together with the Minister for Foreign Affairs of Rumania, Mr. Titulescu, then opened the session of the Permanent Council of the Little Entente. Mr. Titulescu presided.

The three Ministers announced that no publicity would be given of the program upon which they would proceed until after the close of their deliberations,

at

at which time a public statement would be issued. I have
1/ the honor to enclose herewith a copy of the statement of the proceedings of the meeting of the Ministers of the Little Entente which supposedly gives a full account of the matters considered and actions taken thereon. In
2/ addition thereto I enclose a clipping from the MANCHESTER GUARDIAN under date of June 21, 1934, which is a very interesting interpretation of the real meaning of the Little Entente, as given from a journalistic viewpoint sufficiently far away to be able to get a good view of the workings of the three countries. There is much to be said for the interpretation as contained in the MANCHESTER GUARDIAN article,- that the "Petite Entente" needed something to revitalize its purpose and mission. No doubt the constant hammering of Hungary for the revision of frontiers furnishes a subject for constant consideration by the Little Entente. This matter at any rate serves as a medium to keep up the interest and offers a valid reason to have meetings and issue statements to the press.

During the stay of Messrs. Benes and Jeftich they were entertained with great deference and hospitality by the Rumanian Government and the King.

It is my personal opinion that the meeting of the Little Entente was greatly overshadowed by the arrival in Bucharest of the Minister of Foreign Affairs of France, Monsieur Louis Barthou. Bucharest is still talking of the visit of Monsieur Barthou. A resumé of what took place during his visit to Rumania was given to the

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Department in the Legation's despatch No. 146 of June 23, 1934.

Respectfully yours,

Alvin M. Owsley

Alvin M. Owsley.

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Enclosures:

1- Summary of excerpts from the foreign press in Rumania covering the proceedings of the meeting of the Permanent Council.

2- Clipping from the MANCHESTER GUARDIAN of June 21, 1934.

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Enclosure No. 1 to Despatch No. 152
of July 7, 1934 from the American
Legation, Bucharest.

SUMMARY OF EXCERPTS FROM THE FOREIGN PRESS
IN RUMANIA COVERING THE PROCEEDINGS OF THE MEETING
OF THE PERMANENT COUNCIL OF THE LITTLE ENTENTE.

The three Ministers for Foreign Affairs have examined exhaustively the general political situation. They recognized that the latter presents certain disquieting symptoms which must keep constantly on the alert the attention of all governments interested in the maintenance of Peace. But they took note also of the existence of certain promising elements, which if developed and strengthened by collective assiduous labor, will permit Europe to extricate itself from the political crisis weighing upon her at present.

Truly, the persistent difficulties thus far encountered in efforts to conclude a General Convention for the reduction and limitation of armaments, the pretentious claims put forward by certain States to revise the Peace Treaties, the risk of seeing Europe becoming divided into rival blocs, the persistence of the financial and economic crisis, the instability of political conditions, both within and outside of Europe - all these - tend to give rise to fears that Peace may be endangered.

On the other hand, the sincere and fecund efforts made of late at Geneva by France, Great Britain and the United States of America to prevent the failure of the Disarmament Conference, the energetic struggle to give to Security first place in the field of political preoccupations, the existing associations or those about to be formed for the maintenance of Peace, the fatal social consequences which of a certainty would develop in States which might take upon themselves the risks of an aggression - all these - give hope that the efforts for the maintenance of Peace will ultimately prevail.

The Little Entente, faithful to its traditional policy and the basic principles of its Pact of Organization, has traced its line of procedure in accordance both with the interests of its Member States and with the general interest. Consequently, the Permanent Council of the Little Entente has taken all necessary decisions to cope with the situation.

Following the four sessions held in Bucharest from June 18th to 20th, the Permanent Council adopted, among others, the following resolutions:-

a) That every effort should be made to the end that the Disarmament Conference may result in a Convention satisfactory to all parties concerned;

b) To lend

b) To lend its full support to the organization of Security and to participate in the regional conventions of mutual assistance which are in course of discussion;

c) To cooperate in the economic reorganization of Europe, in agreement with all interested countries. To the great regret of the Permanent Council of the Little Entente, certain official Magyar announcements create the impression that Hungary, of its own accord, wishes to exclude itself from such a collaboration.

d) To reaffirm its decision to oppose, by appropriate measures, the return of the Hapsburgs under whatever form;

e) To maintain and foster the best possible relations with all States, especially with neighboring States and Poland;

f) To note with satisfaction the resumption of normal diplomatic relations between the U. S. S. R., Rumania and Czechoslovakia, pursuant to the decision reached at Zagreb, with a view to collaboration in the maintenance of Peace;

g) To note with satisfaction the assurances received with regard to the integral application of the Pact of Balkan Entente by all its signatories and of its ratification on June 16th, 1934, by Rumania and Yougoslavia;

h) To ratify the decisions taken by the Economic Council (of the Little Entente) at its session in Bucharest and to submit the same to the respective governments for approval;

i) To express its sympathy with (the aims of) the treaty concluded, on the initiative of the Argentine Government, i.e., the South American treaty to prevent War signed at Rio de Janeiro on October 10th, 1933, which it has decided to subject to an exhaustible study;

j) To meet again during the month of September (next) in Geneva.

Before terminating its discussions, the Permanent Council of the Little Entente noted with satisfaction the strong repercussions felt in our countries (Czechoslovakia, Rumania and Yougoslavia) as a result of the visits to Paris of the Foreign Ministers of the Little Entente as well as of the visits of the French Minister for Foreign Affairs to the capitals of the Little Entente and expresses its joy that the precious occasion of the Bucharest Conference again permits the Foreign Ministers of the Little Entente to exchange views with Mr. Louis Barthou.

Enclosure No. 2 to Despatch No. 152 of July 7, 1934 from the American Legation, Bucharest.

FOLLOWING IS COPY OF AN ARTICLE APPEARING IN THE JUNE 21, 1934, ISSUE OF THE MANCHESTER GUARDIAN

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"The Little Entente"

The Permanent Council of the Little Entente had an important list of subjects to discuss when it met in Bucharest. That is but natural, since, through one or other of its members, the Little Entente is deeply interested in almost all of the major European problems of the day--the fate and policy of Austria and Germany and Italy, Poland and the Soviet Union, and the Balkans. It is also but natural that the three powerful members of this miscalled "Little" group value their many problems differently. Rumania, for example, cannot feel as Czechoslovakia about Germany, nor yet as Yougoslavia about Italy. On the other hand, Czechoslovakia has no Balkan inhibitions or ambitions and Yougoslavia is so far from Soviet Russia that she can permit herself the luxury of delaying that inevitable recognition which her two allies have lately swallowed with a tolerable grace. Almost the only subject on which all three allies feel with equal strength is that of the revision of the Trianon Treaty--that is, of Hungary's claims. It was the Magyar threat which led to the formation of the Little Entente in 1921. When for some years Hungary seemed unimportant, the Little Entente grew flabby and came near to dissolution. When Hungary's revisionist hopes revived under the double stimulus of Germany's and Italy's promises or blandishments, the Little Entente became a close alliance with a permanent council. The lack of measure which Count Bethlen and other Magyar propagandists have of late displayed has done a double disservice to the cause of peace and to the hopes of reasonable Magyars. Extravagant claims which in effect assert the imprescriptible right of Magyar magnates over millions of Slavs and Rumanian peasants have brought the only answer they could bring---a flat refusal from the Rumanian Foreign Minister, Titulescu.

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SEE 740.0011 MUTUAL GUARANTEE/84
,BALKAN,

LEGATION OF THE
UNITED STATES OF AMERICA

Prague, October 4, 1934

No. 310

Subject: Meeting of the Little Entente Economic Council at Belgrade.

Assistant Secretary of State
NOV 1 - 1934
MR. SAYRE

DEPARTMENT OF STATE
OCT 17 1934
DIVISION OF WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
OCT 19 1934
DIVISION OF COMMUNICATIONS AND RECORDS

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OCT 24 1934
DEPARTMENT OF STATE

OFFICE OF ECONOMIC ADVISER
OCT 22 1934
DEPARTMENT OF STATE

DEPARTMENT OF STATE
OCT 18 1934
DIVISION OF NEAR EASTERN AFFAIRS

770.00/387

NOV 3 - 1934

The Honorable

The Secretary of State,

Washington

Sir:

I have the honor to inform you that, while the local press has evinced but scant interest in the recent meeting of the Little Entente Economic Council at Belgrade, Foreign Office officials regard the results achieved there as satisfactory. They are, I gather, considerably more optimistic over the future of economic cooperation between the Little Entente States than they were after the Bucharest meeting last spring, when, as I pointed out in my despatch/

SPECIAL ASSISTANT TO THE SECRETARY
NOV 2 - 1934
MR. HEWES

despatch No. 180 of May 15th last, the Czechoslovak delegation returned to Prague disappointed at the results achieved and dissatisfied over the attitude shown by the Yugoslav delegation.

Dr. Stangler who, as in the case of the Bucharest meeting, headed the Czechoslovak delegation, has expressed to me his satisfaction over the outcome of the Belgrade meeting. He said that it was found possible to settle, to the satisfaction of the three States concerned, a number of important problems which had failed of solution in previous meetings. He laid particular stress on the following achievements of the meeting:

(1) A convention concerning Danubian transportation (traffic), and a tariff agreement between the Rumanian, Yugoslav and Czechoslovak steamship companies;

(2) An agreement concerning cooperation between Czechoslovak, Rumanian and Yugoslav postal, telephone and telegraph administrations which will be put into effect as soon as ratified by the interested governments. The realization of a regular postal union may be expected at an early date;

(3) Various agreements and conventions with a view to increasing tourist and travel intercourse between the Little Entente States;

(4) Agreements linking more closely together the railway and aviation services of the three States.

Continuing, Dr. Stangler pointed out that the Belgrade meeting had resulted in the establishment of a special commission to study the question of bringing about closer cooperation in the economic field between the Little Entente States and the ultimate realization of a customs union between them. This, he considers, a very important achievement.

Respectfully yours,

J. Webb Benton

JWB/MC
850

J. Webb Benton
Chargé d'Affaires ad interim.

DOCUMENT FILE

NOTE

SEE 860h.001 Al 2/95 FOR Tel.794, 11 a.m.

FROM France (Straus) DATED Oct.26, 1934

TO NAME

1--1127 ers

770.00/388

REGARDING:

Little Entente.

Conversation with Foreign Minister Laval who expressed hopes of an Italo-French accord, in which case there would be a tie-up with the -.

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LEGATION OF THE
UNITED STATES OF AMERICA

No. 198. Belgrade, October 6, 1934.

Subject: Third Meeting of the Economic Council of the Little Entente.

DEPARTMENT OF STATE
A-C/C
NOV 6 - 1934
ASSISTANT SECRETARY OF STATE
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NOV 7 - 1934

Assistant Secretary of State
NOV 13 1934
MR. SAYRE

SPECIAL ASSISTANT TO THE SECRETARY
NOV 14 1934
MR. HEWES

770.00/389

770.00

DEPARTMENT OF STATE
NOV 5 - 1934
DIVISION OF NEAR EASTERN AFFAIRS

NOV 15 1934
FILED

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the third session of the Economic Council of the Little Entente was opened in Belgrade on September 24th and brought to a close on October 1st. The Conference studied particularly the problem of commercial exchange and examined methods to diminish barriers in the way of commercial intercourse and means to increase the volume of trade. It also established a commission from among its members to work out details for more intimate commercial collaboration between the three countries.

With regard to other fields of commercial collaboration it would appear that considerable progress was

achieved

achieved by the adoption of a series of recommendations to be presented to the Permanent Council of the Little Entente for approval at its next meeting, which will be held at Prague sometime next year. A copy and translations of these as published by the Belgrade news agency AVALA on October 2nd are transmitted herewith.

Respectfully yours,

Charles S. Wilson.

Charles S. Wilson.

Enclosure:

Copy of recommendations,
from AVALA of October 2,
with translations.

File No. 710.

WA:HSB

Enclosure to Despatch No. 198 of October 6, 1934, from the Legation in Belgrade.

1/ Procès verbal de la Commission Yougo-tchécoslovaque pour la suppression de la double imposition.

2/ Procès verbal concernant la collaboration en matière de chemins de fer.

3/ Procès verbal du Comité Permanent de la navigation sur le Danube.

4/ Convention pour la création d'une union tarifaire des Compagnies de Navigation Danubienne.

5/ Projet de Convention relative à la rationalisation de l'exploitation du trafic sur le Danube.

6/ Convention entre la Yougoslavie et la Tchécoslovaquie relative à l'établissement et à l'exploitation des lignes regulières de transports aériens.

10/ Convention entre la Roumanie et la Yougoslavie relative à l'exploitation des lignes aériennes commerciales.

11/ Protocole entre la Yougoslavie et la Roumanie concernant la conclusion d'un accord relatif à la prolongation de la ligne Belgrade-Bucarest et vice versa.

12/ Accord entre le gouvernement yougoslave et le gouvernement roumain concernant les transports par aéro-taxis.

13/ Accord entre les Administrations de Yougoslavie et de Roumanie concernant les visites médicales du personnel naviguant.

14/ Arrangement particulier entre les Administrations des PTT des trois Etats pour la coopération dans le domaine des Postes et Télécommunications.

15/ Projet d'accord tripartite pour le développement réciproque du trafic des voyageurs et des touristes.

16/ Protocole de la Commission industrielle permanente sur la collaboration étroite dans le domaine de l'activité industrielle.

17/ Arrangement entre les Caisses d'Epargne Postales concernant le service des voyages.

Le Conseil Economique a fixé en outre le programme des travaux à poursuivre et dont les résultats seront examinés à la prochaine session qui s'ouvrira à Prague le 28 janvier 1935.

(17) Arrangement reached between Postal Savings Banks concerning travel service.

Enclosure to Despatch No. 198 of October 6, 1934, from the Legation in Belgrade.

АГЕНЦИЈА АВАЛА НОВИНСКИ ИЗВЕШТАЈИ
БЕОГРАД
КРАЉА ФЕРДИНАНДА 2
ТЕЛЕФОНИ:
ДИРЕКЦИЈА 24.801 СПОЉНА СЛУЖБА 24.804
УНУТРАШЊА СЛУЖБА 24.802

7/ Accord entre la Yougoslavie et la Tchécoslovaquie relatif à l'établissement et à l'exploitation des lignes regulières de transports aériens.

8/ Accord entre la Yougoslavie et la Tchécoslovaquie concernant les transports par aéro-taxis.

9/ Accord entre les Administrations yougoslave et tchécoslovaque concernant les visites médicales pour le renouvellement des licences du personnel naviguant.

10/ Convention entre la Roumanie et la Yougoslavie relative à l'exploitation des lignes aériennes commerciales.

11/ Protocole entre la Yougoslavie et la Roumanie concernant la conclusion d'un accord relatif à la prolongation de la ligne Belgrade-Bucarest et vice versa.

12/ Accord entre le gouvernement yougoslave et le gouvernement roumain concernant les transports par aéro-taxis.

13/ Accord entre les Administrations de Yougoslavie et de Roumanie concernant les visites médicales du personnel naviguant.

14/ Arrangement particulier entre les Administrations des PTT des trois Etats pour la coopération dans le domaine des Postes et Télécommunications.

15/ Projet d'accord tripartite pour le développement réciproque du trafic des voyageurs et des touristes.

16/ Protocole de la Commission industrielle permanente sur la collaboration étroite dans le domaine de l'activité industrielle.

17/ Arrangement entre les Caisses d'Epargne Postales concernant le service des voyages.

Le Conseil Economique a fixé en outre le programme des travaux à poursuivre et dont les resultats seront examinés à la prochaine session qui s'ouvrira à Prague le 28 janvier 1935.

(17) Arrangement reached between Postal Savings Banks concerning travel service.

Enclosure to Despatch No. 198 of October 6, 1934, from the Legation in Belgrade.

Translation of Recommendations of Third Session of Little Entente - from AVALA of October 2, 1934.

(1) Report of the Yugoslav-Czechoslovak Commission for the suppression of double taxation.

(2) Report concerning railroad collaboration.

(3) Report of the Permanent Committee of Danube Navigation.

(4) Convention for the creation of a tariff union for the Danube Navigation Companies.

(5) Project of a Convention relative to the rationalization of the exploitation of traffic on the Danube.

(6) Convention between Yugoslavia and Czechoslovakia relating to the establishment and the operation of regular lines of aerial navigation.

(7) Agreement between Yugoslavia and Czechoslovakia relating to the establishment and operation of regular lines of aerial navigation.

(8) Agreement between Yugoslavia and Czechoslovakia regarding transportation by aero-taxis.

(9) Agreement between the Yugoslav and Czechoslovak Administrations regarding medical examination necessary for the renewal of licenses of the flying personnel.

(10) Convention between Roumania and Yugoslavia relative to the operation of commercial aerial routes.

(11) Protocol between Yugoslavia and Roumania relating to the conclusion of an agreement concerning the extension of the aerial line Belgrade-Bucharest and back.

(12) Agreement between the Yugoslav Government and Roumanian Government regarding transportation by aero-taxis.

(13) Agreement between Yugoslav and Roumanian Administrations regarding medical examination necessary for the renewal of licenses of the flying personnel.

(14) Special arrangement between the Administrations of Posts, Telegraphs and Telephones of the three countries for cooperation in the field of post and telephone communications.

(15) Project of tripartite agreement for the reciprocal development of passenger and tourist traffic.

(16) Protocol of the permanent industrial commission covering intimate collaboration in the domain of industrial activities.

(17) Arrangement reached between Postal Savings Banks concerning travel service.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 521

RECEIVED
DEPARTMENT OF STATE

Prague, October 24, 1934.

1934 NOV 7 AM 10 48

Subject: Czechoslovak Reaction to the Recent Meeting of the Little Entente Permanent Council at Belgrade.

DIVISION OF COMMUNICATIONS AND RECORDS

SPECIAL ASSISTANT TO THE SECRETARY

NOV 13 1934

MR. HEWES

FOR DISTRIBUTION - OFFICE
To
In U. S. A.

DEPARTMENT OF STATE
A-G/C
NOV 1934

770.00

Assistant Secretary of State
NOV 12 1934
MR. SAYRE

DEPARTMENT OF STATE
NOV 8 1934
DIVISION OF NEAR EASTERN AFFAIRS

770.00/390

FILED
NOV 14 1934

The Honorable

The Secretary of State,

Washington

Sir:

I have the honor to inform you that opinion in Czechoslovakia, official and otherwise, appears to be well satisfied with the results of the recent meeting of the Permanent Council of the Little Entente at Belgrade. Especial emphasis is laid on the joint-statement issued by the three Foreign Ministers on

that/

that occasion. This statement, it is pointed out, is so clear and to the point that any further explanation is superfluous. The community of views existing between the member States of the Little Entente, and their close understanding with France and the States adhering to the Balkan Pact, as reaffirmed by the three Foreign Ministers in Belgrade, is a matter of especial satisfaction to the average citizen of this country.

Newspaper comments on the Belgrade meeting, while they have not been extensive, may be summarized as follows:

The conservative NARODNI POLITIKA believes that Yugoslavia is offered the best opportunity for internal and external security if she subscribes to a foreign policy similar to that of France and the Little Entente. This newspaper feels that Italy desires an understanding; and that an agreement between the "peace-seeking States" would be a deadly blow to Macedonian and Croatian irredentism.

The PRAVO LIDU, the official organ of the Czechoslovak Social Democrat party, emphasizes that the Little Entente States acted wisely and prudently when they refused to take hurried and unconsidered action. This newspaper appreciates the energetic statement issued by

the/

the Foreign Ministers which, in its opinion, should help clear up the present strained atmosphere.

The Czech Legions' organ, the NARODNI OSVOBOZENI, writes that the statement issued in Belgrade proves that steps will be taken to investigate thoroughly the Marseilles murders: while the official organ of the German Christian Socialist party, the DEUTSCHE PRESSE, blames the authorities in certain unnamed states for tolerating the formation on their territories of terrorist groups.

The semi-official PRAGER PRESSE, besides publishing the full text of the joint statement, is of the opinion that Czechoslovakia has no interest in seeing Hungary involved in the Marseilles affair. It favors, however, a thorough investigation to the end that those persons involved should be punished.

The conservative German language PRAGER TAGBLATT writes that never before have the Foreign Ministers or the Little Entente States so unanimously made known their demands, which are linked with a request for protective measures which would prevent the repetition of the "Marseilles assassinations".

Respectfully yours,

Copy to E.I.C. Paris

JWB/MC
800

J. Webb Benton.

J. Webb Benton
Chargé d'Affaires ad interim.

DOCUMENT FILE

NOTE

860h.001 Al 2/129

SEE ~~860h.65/649xx~~ FOR #775

FROM Italy (Long) DATED Oct.27, 1934

TO

NAME

1—1127

770.00/391

REGARDING: Assassination of King Alexander of Yugoslavia.

Conversation with the Czechoslovak Minister who stated that the Little Entente states were going to stand solidly together and that they would support the position of Yugoslavia. If France alienates the Little Entente their next natural alignment will be with Germany.

Wi

DOCUMENT FILE

NOTE

770.00/392

SEE 860h.001 Al 2/118 FOR #201

FROM Yugoslavia (Wilson) DATED Oct.22, 1934

TO NAME

1—1127

REGARDING: Assassination of King Alexander of Yugoslavia.

Informs of meeting of Council of the Little Entente and Council of the Balkan Entente following the - and quotes communique issued by the Little Entente which was followed by an identic communique issued by the Balkan Entente. Press translations enclosed.

Wi

No. 201. Belgrade, October 22, 1934.

Subject: Meetings of the Council of the Little Entente and the Council of the Balkan Entente.

860 H.001 Al 2/113

770.00

~~740.0011 M.G.~~

Balkan

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that owing to the murder of King Alexander and the resulting disturbance in the international situation it was decided to hold meetings of the Council of the Little Entente and of the Council of the Balkan Entente as soon as possible after the King's funeral, for which the Ministers for Foreign Affairs of Roumania, Czechoslovakia, Turkey and Greece had all come to Belgrade.

Accordingly on the morning of October 19th the three Ministers of the Little Entente, Messrs. Yevtich, Titulesco and Benesh, met, and at the close of this meeting

Messrs.

Messrs. Maximos and Rushdi Bey joined the others for luncheon. After lunch Mr. Benesh withdrew and the four Ministers of the Balkan Entente held a meeting. At the close of this meeting they were again joined by Mr. Benesh and all five Ministers were summoned to the Palace to explain to the King of Roumania and the Regent Prince Paul the result of their labors.

At the close of the audience the following official communique was issued by the Little Entente, which was followed by an identic communiqué issued in the name of the members of the Balkan Entente, the only difference being that the Balkan Entente communiqué added that its next meeting will be held at Ankara on October 30, 1934.

"The President of the Little Entente called on October 19, 1934, an extraordinary conference of the Permanent Council of the Little Entente in Belgrade in connection with the tragic events which were such a blow for France and Yugoslavia.

"The Council considers it its first duty to express to the Yugoslav nation its deep grief at the loss of its Great Sovereign, His Majesty King Alexander I of Yugoslavia.

"The Council also expresses its deepest condolences to the French nation for the loss of the great partisan of peace - Louis Bartou.

"The Council has besides examining the general political situation, studied conditions under which the criminal attempt occurred at Marseilles and came to the conclusion that this was a case of murder committed under influences working outside the frontiers and as such falls within the scope of foreign politics.

"Truely, a great number of terroristic murders have happened lately, and they were all committed for the purpose of dealing a blow and shaking the international situation of certain countries which have lately built up their national unity, and in order to deprive these countries of persons who had especially served their interests.

"This international anarchy reached its culmination with the death of a Great King who was loved and respected by everyone. For these reasons the Permanent Council of the Little Entente in the face of such a situation finds it

imperative

imperative that all countries without exception must collaborate peacefully and impartially in order to fix the responsibility in this case. At the same time the Council demands that measures should be taken in order to avoid similar occurrences in the future. The Permanent Council considers that if international measures are not taken in the future, with entire loyalty and good will, even more serious conflicts may occur.

"In any case no terrorist action can alter the course of the present policy of the States of the Little Entente.

"The great sorrow which has befallen the States of the Little Entente will bind these countries closer than ever before.

"Their governments solemnly declare their full solidarity with Yugoslavia and bind themselves to fulfill with increased strictness the treaty obligations which link them together and to continue with untiring energy the policy which they have followed until now.

"In general the Permanent Council has decided to spare no efforts to carry out the policy of collaboration and rapprochement which was applied with such enthusiasm and unselfishness by His Majesty King Alexander and President Bartou.

"King Alexander who was the creator and symbol of Yugoslav national unity and one of the great creators of the alliance of the countries of the Little Entente, will remain for our countries, together with Louis Bartou, the most outstanding expounder of the idea of inviolability of their frontiers.

"The three governments of the Little Entente will remain piously faithful to their great inheritance.

"The Permanent Council has presented itself at the Royal Palace, Belgrade, to His Majesty King Carol and to His Royal Highness Prince Regent Paul for the purpose of reporting in detail the results of their work.

"His Majesty King Carol and His Royal Highness Prince Regent Paul gave their high approval to the decisions reached."

It is of interest to note in this connection that the two Ententes have acted in complete harmony and almost like one organization, and one wonders whether this tendency may not increase in the future.

The

The two communiqués state that the death of King Alexander will not be allowed to change the policy of the Little Entente or of the Balkan Entente, and this will probably be the case at least for a time. However, without King Alexander, who was the strong man of the Little Entente and who pulled it together each time it showed signs of weakening, it remains to be seen whether it will not sooner or later gradually disintegrate, especially if Roumanian and Yugoslav enthusiasm for France continues to wane. As to the Balken Entente, King Alexander was not a very enthusiastic supporter as he felt it was incomplete without Bulgaria, a rapprochement with which was the central point of his Balkan policy. From conversations which I had with him I think he understood and appreciated the Bulgarian point of view on this question. It is doubtful, however, whether the other members of the Balkan Entente realized so fully the Bulgarian point of view, and it is generally believed that during the present meeting of the Little Entente this question was discussed and that efforts will again be made to secure Bulgarian adherence.

The identic communiqués of the Little Entente and the Balkan Entente clearly placed the blame for the Marseilles tragedy on "influences working outside of the frontiers", which plainly indicates Italy or Hungary, or as now seems probable, both. These statements of the two Ententes will certainly cause great resentment in both countries. I have the honor to enclose herewith the résumés of several articles from the Yugoslav Press commenting upon the meetings in Belgrade on the 19th instant of the Ministers of the Little Entente and Balkan Entente.

Respectfully yours,

Enclosure:

A true copy of the signed original

Charles S. Wilson.

Enclosure:

Résumés of articles from the Yugoslav Press.

File No. 710.

CSW:HSB

Enclosure to Despatch No. 201 of October 22, 1934, from the Legation in Belgrade.

PRESS COMMENT ON THE MEETINGS OF THE LITTLE ENTENTE AND OF THE BALKAN ENTENTE HELD AT BELGRADE OCTOBER 19, 1934.

The POLITIKA writes:

The tragic event has assembled at Belgrade the representatives of the Little Entente and of the Balkan Entente. Immediately after the odious crime at Marseilles, Mr. Benesh and Mr. Titulesco understood its real significance and received the approval of their Governments to manifest with Mr. Jevtich their unity of view on these events. Rushdi Bey and Mr.Maximos also decided to join in this manifestation of solidarity, and after consulting their governments, have been authorized to come to an agreement with Mr. Jevtich on the common attitude of the Balkan Entente following the Marseilles murder.

The paper adds that these important meetings of the Councils of the Little Entente and of the Balkan Entente took place yesterday and that during the meeting of the Little Entente Mr. Jevtich, as a witness of the Marseilles crime and as the representative of the country most deeply injured by the crime, explained to his colleagues the march of events and the information he possessed concerning the organization of subversive elements abroad, which prepared the Marseilles crime. Mr. Benesh having come directly from Paris where he had conferred with Mr. Laval, French Minister for Foreign Affairs, gave his colleagues information gathered at Paris. Mr. Titulesco in turn explained the point of view of the Roumanian Government on the activities of certain criminal organizations aided by certain countries anxious to change the existing order in Europe.

The article in closing says that the Ministers of the Little Entente have agreed as to the significance of the Marseilles crime which was aimed not only upon the life of King Alexander, but against the present European order and against the national unity of all the States of the Little Entente. Furthermore, the Ministers were in full agreement in emphasizing the absolute and complete solidarity of the three states and of their absolute identity of their points of view concerning the real objects of the crime; that Yugoslavia, Czechoslovakia and Roumania continue to maintain the calm they have shown from the beginning, and to work with all their powers to discover not only those who have committed the crime, and their accomplices, but also the real organizers of the widespread plot whose aim was the destruction of the existing order in Europe.

In speaking of the meeting of the Council of the Balkan Entente, the POLITIKA says that the four ministers agree that the criminal shots at Marseilles were directed not only against the life of the knightly King Alexander, but also against the work of stabilizing peace and order in Europe and especially in the Balkans. The ministers were in agreement in noting that certain foreign circles who believed they saw in a change in the present state of things in Europe possibilities of realizing their criminal plans, sought out professional assassins and organized and aided materially terrorist committees. The Council of the Balkan

Entente

Entente will not allow any opportunity to escape to examine in detail the activities of these foreign organizations and will concur in the emphasizing that it is the imperious duty of all European nations without exception to collaborate in placing the responsibility for the Marseilles crime, which so grievously affects the Little Entente and the Balkan Entente. The two groups wish to emphasize that the crime which has deprived European peace of King Alexander, one of its most resolute defenders, is not the result of the internal conditions in Yugoslavia, but of a conspiracy fomented from outside its borders.

DOCUMENT FILE

NOTE

SEE 740.0011 Mutual Guarantee/90 (Balkan) FOR Despatch #438

FROM Greece (MacVeagh) DATED Nov. 1,1934

TO NAME 1—1127

REGARDING: Pact of Balkan Understanding is once more placed in the spotlight of political discussion since assassination of King of Yugoslavia.. Prediction of fusion of the two Ententes in the Venezelist paper NEOS COSMOS. To make the Pact stand on its own feet as purely Balkan, irrespective of the rest of Europe, the adhesion of Bulgaria is necessary.

fp

740.00/393

No. 438 Athens, November 1, 1934.

Subject: Greek Foreign Policy and the Assassination of King Alexander.

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

In reference to my despatch No. 420 of October 18th, 1934, I have the honor to report that the assassination of King Alexander has had the effect in Greece of placing the Pact of Balkan Understanding once more in the spotlight of political discussion. The practical identity of the manifestos issued by the Councils of the Little Entente and the Balkan Entente (States signatory to the Pact of Balkan Understanding) in relation to the crime of Marseilles has raised a storm of public and private debate as to whither the foreign policy of the present Government may be leading this country. The Venizelist newspaper "NEOS COSMOS," in announcing the projected visit of M. Titulesco to Paris, goes so far as to predict the actual speedy fusion of the two Ententes. M. Maximos, on the other hand, who, as Chairman of the Council of the Balkan Entente and Foreign Minister of Greece, has once more been subjected to a heavy barrage of criticism from the Opposition for committing his country to obligations beyond its proper sphere and in contradiction to its pacific

interests

interests, has publicly denied, in a statement to the Press, that the publication of similar communiqués by the two groups of powers creates any obligation for Greece beyond those already assumed by her under the Pact of Balkan Understanding, and states that the similarity mentioned merely marks "the sympathy and moral solidarity" of all concerned in their attitude toward Yugoslavia in her hour of trial. This statement, accepted and elaborated by the Government Press, has not satisfied the Opposition, whose objective is really the Pact of Balkan Understanding itself and the nature of the obligations it creates for Greece. The Government may reiterate that these obligations are inter-Balkan only, but the fact remains that anti-revisionism, to which the Pact is dedicated, is a policy which actually transcends the Balkans so long as the Balkans remain divided. To make the Pact stand on its own feet as purely Balkan, irrespective of the rest of Europe, the adhesion of Bulgaria is necessary. Till that event occurs, the Greek Government must remain uncomfortably vulnerable to the attacks of Veniselos. At the present moment the loosening of the French hold on the Little Entente may actually be opening the door to such a solution.

In addition, I would say that Greece seems to be the object of a lot of wooing just now, much as in the early years of the war, and for the same reason, that she can't make up her mind. Her desperate need of support in any eventuality makes her timid in a wicked world. Following the prediction in the Venizelist "NEOS COSMOS," above referred to, the Paris correspondent of the Independent "HESTIA" reports in today's issue:

> "The Fusion of the Petite Entente with the Balkan Entente, though denied from Athens, is considered in Paris as very likely to take place. The Quai d'Orsay supports the plan and is actively pursuing it. Can Greece, in her own interests, reject such a fusion?"

This

This would seem to confirm the idea of French policy which has been here for many months. At the same time, the German Minister, Herr Eisenlohr, just returned from Berlin, tells me that he is convinced that Greece is retreating from the advances she made toward Paris in the spring and summer. He is much encouraged, and tells me that he plans to promote a scheme involving German money and Hitler's own personal backing, for beautifying Athens on a large scale. Mr. Veniselos' criticism of the Pact, in its insistence on Greece's Mediterranean destiny, seems to betray a fine Italian hand, while only yesterday Kemal Pasha expressed the desire to see the Pact of Balkan Understanding finally cemented by Bulgaria's adherence. France, Germany, Italy, Turkey, - all these Powers are pulling at cross-purposes here in Athens. In which direction will Greece finally be drawn? It would be hard to say, but as long as Tsaldaris is in power, she will probably be drawn to none and seem to be drawn to each in turn. Perhaps the only program capable of attracting all parties here is that for the formation at last of a real Balkan Union able to maintain itself against the rest of Europe and run its own affairs internally.

Respectfully yours,

Lincoln MacVeagh.

Legation File No. 710/800

Copies to Belgrade, Bucharest, Istanbul, Paris, Prague, Sofia, Tirana.

LMacV/cwf

DOCUMENT FILE

NOTE

770.00/394

SEE 860h.001 Al 2/137 FOR Tel.346, 6 p.m.

FROM Geneva (Gilbert) DATED Nov.23, 1934

TO NAME

1—1127

REGARDING: Assassination of King Alexander of Yugoslavia.

French support of Yugoslavia in the matter of charges against Hungary in connection with - will result in a strengthening of the French-Little Entente bloc. Czechoslovakia and Rumania will support Yugoslavia.

Wi

DOCUMENT FILE

NOTE

770.00/395

SEE 860h.001 Al 2/171 FOR Tel.377, 4 p.m.

FROM Geneva (Gilbert) DATED Dec.10, 1934

TO NAME 1—1127

REGARDING:

Solidarity of the Little Entente demonstrated by its stand on the Yugoslav charges against Hungary arising from the assassination of King Alexander.

Wi

DOCUMENT FILE

NOTE

770.00/396

SEE 860h.001 Al 2/192 FOR #3682

FROM Military Attache ( ) DATED Nov.21, 1934
TO Yugoslavia NAME

1—1127

REGARDING: Yugoslav charges against Hungary arising from the assassination of King Alexander.

Comments on position of the Little Entente in the matter of -.

Wi

DOCUMENT FILE

NOTE

770.02

SEE 840.00/416 FOR desp. #27

FROM Czechoslovakia (Wright) DATED Nov. 22, 1934

TO NAME 1—1127

770.00/397

REGARDING: Discussion of the meeting in Prague of the Chiefs of Staff of the Little Entente with with Military Attache of Hungary. Expressed the opinion that the key of the plan of the campaign is to use Hungary as a corridor for the rapid transfer of troops according to the contingencies that may arise upon any one of several fronts.

fc

The Hungarian Military Attaché here, who appears to be more than usually well informed, discussed recently with me the meeting in Prague of the Chiefs of Staff of the Little Entente which has recently taken place in this capital and expressed the belief that the key of the Little Entente plan of campaign is to use Hungary as a corridor for the rapid transfer of troops according to the contingencies that may arise upon any one of several fronts. He likewise referred to the problem presented by Bessarabia in Russian-Roumanian relations but added that the military alliance between Poland and Russia has put that factor to sleep for some time. He believes, therefore, that the Little Entente has determined that the Roumanian Army shall be ready for use in this country against Germany in case of necessity - admitting however that the weakest spot in such a plan is the lack of information as to what Yugoslavia would be able to do toward holding Hungary in check in the event of such

hostilities

LEGATION OF THE
UNITED STATES OF AMERICA

No. 51 Prague, December 24, 1934.

RECEIVED
DEPARTMENT OF STATE
1935 JAN 10 PM 1 59

Subject: M. Beneš and the International Political and Economic Situation.

ASSISTANT SECRETARY
A-S/T
JAN 31 1935
DEPARTMENT OF STATE

DEPARTMENT OF STATE
JAN 11 1935
WESTERN EUROPEAN AFFAIRS

DIVISION OF
COMMUNICATIONS
AND RECORDS

OFFICE OF ECONOMIC ADVISER
JAN 21 1935
DEPARTMENT OF STATE

DEPARTMENT OF STATE
A-S/O
JAN 18 1935
H
ASSISTANT SECRETARY OF STATE

SPECIAL ASSISTANT
JAN 31 1935
MR. HEWES

Assistant Secretary
of State
JAN 22 1935
MR. SAYRE

DEPARTMENT OF STATE
JAN 14 1935
DIVISION OF
NEAR EASTERN AFFAIRS

770.00/398

770.00

The Honorable

The Secretary of State,

Washington

Sir:

I have the honor to inform you that, following his return to Prague from Geneva, where he attended the extraordinary session of the Council of the League of Nations, M. Beneš addressed a public meeting of his party, the Czechoslovak National Socialist, when he discussed the international political and economic situation. His

remarks,/

FILED
FEB 1 - 1935

remarks, which are couched in rather more outspoken language than is usually his want, probably with an eye to impressing his audience and, if possible, improving his own not very satisfactory internal political position, contain no new thought and, except for a short reference to the "economic revolution" in the United States, may be summarized as an endeavour to show that the Little Entente and French alliances have stood the test at Geneva and are now stronger than ever.

M. Beneš said that the recent extraordinary session of the Council of the League of Nations was of far-reaching importance, and that the results achieved are bound to exercise, in no small measure, a favorable influence on all international events which might take place during 1935. He expressed the belief that the steps already taken by the League of Nations for the peaceful solution of the Saar problem, which included the establishment of an international military force to police the Saar until after the taking of the plebiscite, is an event of vital importance for the peace of Europe. Everyone in Europe, he continued, is now anxiously waiting to see whether or not the League of Nations will be able to solve peacefully the Saar problem; and in his opinion that Body's efforts will meet with success.

Speaking of the recent Hungarian-Yugoslav dispute, resulting from the Marseille incident, M. Beneš stated that the bitterness with which the negotiations over the

Yugoslav/

Yugoslav complaint were conducted between Hungary and the Little Entente States at Geneva is without equal in the annals of the League of Nations. Nevertheless, a similar conflict, prior to the World War, would, in his opinion, have led to a war.

M. Beneš appreciates the fact that the League of Nations has been able to solve the Hungarian-Yugoslav dispute by giving Yugoslavia her well deserved satisfaction. Since all points discussed were settled to the satisfaction of Yugoslavia, the latter, as well as the member-States of the Little Entente, were able to register a victory.

M. Beneš interpretes the struggle between Hungary and the Little Entente at Geneva as one between two conceptions of European policy, adding that the policies subscribed to and followed by France, the Little Entente, the Balkan Entente and Soviet Russia had stood the test and won. He considers that the part played by England was correct and friendly, and that once again France has shown her loyal friendship for the Little Entente. He further pointed out that in the dispute between Hungary and Yugoslavia the question of Treaty revision was deeply involved, and that as a result of the Yugoslav victory revisionism had received a serious set-back.

Continuing, M. Beneš said that the representatives of France and Soviet Russia discussed at Geneva matters

pertaining/

740.00 Mutual Guarantee
Eastern Pact

pertaining to their mutual relations, and decided on the procedure to be followed with regard to the negotiations for the proposed Eastern Pact. He had attached his signature, in the name of the Czechoslovak Republic, to the protocol signed by France and Soviet Russia which, he felt sure, will make possible the continuation of negotiations and prevent the signatories from entering into any agreements directed against the proposed Pact. He considers the protocol of vital importance to Czechoslovakia, and another step toward the establishment of "various security pacts" for the maintenance of peace in Europe, a task in which from now on also Russia will participate.

M. Beneš also discussed the effects of post-war demoralization, which have, in his opinion, led various States into chaos and anarchy, with the result that many countries thus suffering desire the return of pre-war conditions and long for dictatorial governments in the belief that the democratic system has either failed or will soon fail. He said that the democratic régime in Czechoslovakia, and in certain other countries, has not failed, and that he is convinced that Czechoslovakia will weather the storm, for the simple reason that the Czechoslovaks have always been democrats and will always remain so. In his opinion, Czechoslovakia does not need

860F.00

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a dictorial régime, but a calm, just, sincere and fairly organized democratic system. He admitted that certain economic functions were being taken over by the State, but said that, for the good of the country, development in that direction must continue. While Soviet Russia had been able to carry through an economic program almost over night, as the result of her revolution, he said that Czechoslovakia prefers a gradual and systematic reorganization of her economy along the lines recently outlined by M. Malypetr, the Prime Minister, who believes that economic questions must be solved in a manner whereby the principles of authority and of individual liberty would continue to be respected. M. Beneš pointed to the economic revolution taking place in the United States, and expressed the belief that President Roosevelt has, to a certain degree, correctly conceived the economic functions of a modern state, since the latter has not endeavored, for the time being at least, to erect a corporative state, or a national socialist or communist state, but a modern model state in which the nation's economic questions will be solved by a well governed and regulated democratic system.

860F.50

Respectfully yours,

J. Webb Benton

J. Webb Benton
Chargé d'Affaires ad interim.

Copy to E.I.C. Paris

JWB/MC
800.2

DOCUMENT FILE

NOTE

SEE 860h.001 Al 2/220 FOR #238

FROM Yugoslavia (Wilson) DATED Dec.18, 1934

TO NAME

1—1127

REGARDING: Yugoslav charges against Hungary arising from the murder of King Alexander.

Press comment on the solidarity of the Little Entente at the Geneva hearings. Position that that body must now be treated as one of the great powers and its point of view taken into consideration.

770.00/399

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LEGATION OF THE
UNITED STATES OF AMERICA

Vienna, January 9, 1935.

No. 276.

SUBJECT: ADDRESS BY DR. TIBOR VON ECKHARDT ON "THE PEACE PROBLEM IN THE DANUBIAN STATES".

STRICTLY CONFIDENTIAL.

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1935 JAN 23 PM 2 42
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AND RECORDS

DEPARTMENT OF STATE
JAN 29 1935
DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
JAN 24 1935
EASTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
ASSISTANT SECRETARY
OF STATE
JAN 31 1934

770.00/400

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MID
ONI

FEB 1 - 1935

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to inform the Department that on the evening of January 8, Dr. Tibor von Eckhardt, a member of the Hungarian Parliament, and leader of the Agrarian Party , and who is also the principal delegate of Hungary to the League of Nations, gave an address in Vienna in the Industriehaus before a large and representative audience on "The Peace Problem in the Danubian States".

The

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FEB 1935

No. WE
1-24-35 met

The Austrian Chancellor, Dr. Schuschnigg, the Minister for Foreign Affairs, Baron Berger-Waldenegg, and other ranking members of the Austrian Government were present. The diplomatic corps was largely represented, but the Ministers of the States in the Little Entente, with the exception of the Rumanian Minister, did not appear. The address was given under the auspices of the Austrian Society for Foreign Politics and of the Austrian League of Nations Society. Dr. Dumba, former Austro-Hungarian Ambassador in Washington, who is the President of the Austrian League of Nations Society, presided. He introduced Dr. von Eckhardt very briefly, emphasizing the "moderate and conciliatory attitude which he had shown during the recent League meeting which had to deal with the Yugoslav memorandum".

The following is a brief resumé of Dr. von Eckhardt's address:

He from the outset directed attention to the impossible political and economic situations which had developed in the Succession States as a result of the peace treaties the provisions of which had no regard for the real needs of the peoples involved. In the economic field the Succession States had been driven to practice a policy of self-sufficiency which was suicidal. There had been economic problems within the former Empire, but there was within the framework of the Empire a certain elasticity in handling these problems which prevented them from becoming acute. Under the new conditions this elasticity had disappeared and the situation of the Succession States was worse now than under the Empire. Politically also there had been difficulties within the Empire and there had

been

been minority questions, but the treaties had exaggerated these and made any solution more difficult. Boundary lines had been carelessly drawn by the "weary negotiators" of the Paris treaties. In order to maintain these unjust situations created by the treaties the Little Entente had been formed and this placed Hungary and Austria in fetters. Solution by compromise was impossible as the new situation did not permit of elasticity. That the situation was an unjust one he said was indicated by the fact that the States of the Little Entente were obliged to maintain greater military forces than had been relatively the case under the Empire. In very direct and in no uncertain terms he spoke of the Little Entente as practicing a selfish and arbitrary policy and interfering with the readjustment of boundaries and economic conditions which were absolutely necessary if peace in the Danubian States were to be maintained.

He then spoke of the Rome Protocols as a great step forward and characterized the present cooperation under the Protocols between Italy, Hungary, and Austria as the first real step towards relief from an impossible economic situation. He then spoke in very warm terms of the present relations between Austria and Hungary and said that "in times of great distress Hungary and Austria had again found each other". In rather indirect terms, but still significant from a Hungarian associated with the Government, he spoke of Austrian independence as a necessity. Then he very briefly referred to the Rome conversations just concluded and expressed the belief that out of them would come further good.

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All

764.0015

All during his address he brought forward the revisionist claims of Hungary and emphasized an adjustment of frontiers as being necessary for the maintenance of peace in the Danubian States.

In order that there might be no misinterpretation of his remarks that political and economic conditions had been better under the Empire as favoring a restoration of the dual monarchy, he said that someone had wittily remarked that it was impossible to again get the eggs from an omlet.

At the close of his address Dr. Dumba, as the presiding officer, endeavored to soften the effect of Dr. von Eckhardt's speech by saying that "the speaker had started out with a very pessimistic picture and ended with a more rosy one" which he himself believed justified.

After the address some 150 of those who had been present gathered at a dinner at the Hotel Bristol in honor of Dr. von Eckhardt. It had been planned that there should be a discussion of the address after the dinner, but it was confined to a very brief word by Dr. Dumba expressing appreciation on behalf of the Austrians for the warm words of Hungarian friendship which they had had from Dr. von Eckhardt. The Hungarian Minister in Vienna, Baron Apor, replied emphasizing the closer and friendlier relations between Hungary and Austria.

763.6

The following comment with respect to this address may be of interest to the Department. The League of Nations Society in Vienna is quite active, largely through the initiative of its President, Dr. Dumba. I have up until last evening refrained from attending any of thepublic meetings which this Society has organized since I am here. Dr. Dumba recently

came

came to see me to deliver to me, as an act of courtesy, a copy of an open letter which he had addressed to President Roosevelt urging American participation in the League. At that time he pressed me to attend the meeting I have just described, and I agreed to do so largely as it would provide the opportunity to meet Dr. von Eckhardt who has been playing an increasingly important role in Hungarian affairs and who, as the Department knows has ambitions to succeed Kanya as Foreign Minister.

Dr. von Eckhardt is a man of about 40, slender, smooth shaven, good looking, and makes generally a very good appearance and impression. He spoke from carefully prepared manuscript which made his direct attack on the peace treaties, his cutting and drastic remarks with regard to the Little Entente, and his emphasis on Hungarian revisionist claims of more significance. The warm words which he had for the close friendship which has developed more recently between Hungary and Austria were very warmly applauded. The rest of his address I had the impression left his audience, which was as representative a one as I have seen in Vienna, cold and somewhat surprised. I had the impression that Dr. Dumba, who presided, had not seen the address and was not familiar with its direct nature and it was quite clear that in his closing remarks thanking Dr. von Eckhardt he endeavored to remove partly the painful impression which the address might have left with the audience.

As I left the room the Rumanian Minister approached me and remarked that Dr. von Eckhardt's speech was the best evidence that the Little Entente had been obliged to assume the attitude

which

which it has taken and to maintain the armed forces which they are only too unhappy to have to carry. The German Minister, Herr von Papen, sat next to me and although he made no comment I gathered the impression that he was unhappy that Dr. von Eckhardt had made practically no mention of Germany in his address although he is supposed to look with much sympathy in that direction.

I have had this morning the opportunity of meeting quite a number of my colleagues at the usual weekly reception of the Foreign Minister. The French Minister characterized the address as maladroit, unnecessary, and untimely. The Polish Minister remarked that before the address was given Baron Apor, the Hungarian Minister in Vienna, was looking around to see whether any of the Ministers of the Little Entente States were present as he wished to tell them that the address that Dr. von Eckhardt was going to give "would contain some hard words for the Little Entente". Others of my colleagues expressed the opinion that Dr. von Eckhardt had somewhat misused this occasion by associating the now closer friendship between Austria and Hungary as indicating Austrian support of Hungarian revisionist claims.

764.0015

While the Foreign Minister and the Chancellor have, I am informed, refrained from making any comment with regard to Dr. von Eckhardt's address, I gather from well informed persons that they were much embarrassed by it.

The general impression, I may say in resumé, is that Dr. von Eckhardt used this opportunity to give further expression to Hungarian revisionist aspirations in a neutral forum as he may inthe future have to be more guarded in his statements on

this

this subject. The press of yesterday and today give articles to the effect that certain changes are to be made in the Hungarian cabinet and that Eckhardt is to enter the cabinet with ministerial rank, probably as Minister of the Interior. While changes in the Hungarian cabinet are undoubtedly to be made, and while a few changes may be made now or in the immediate future, I am doubtful as to whether Eckhardt will enter the cabinet until after elections have been held, and this may not come for several months or even longer. In the meantime, however, he is not yet a member of the Government and as leader of the Agrarian Party, he undoubtedly felt himself more free to give such direct expression to the views in this speech. My own impression, however, was that he neither forwarded the cause of revision nor of Austro-Hungarian relations by his address.

After the dinner which followed the address, I had the opportunity of having a very pleasant conversation with Dr. von Eckhardt, during which I gathered the impression that while what he said in his address may represent largely his own views, he would in his own actions be much more moderate and conciliatory. He is undoubtedly among Hungarians in prominence today one of the most liberal minded and understanding. He spoke freely of the Rome conversations which had just been concluded, as a very great step in advance and in his opinion paved the way for the solution of the major problems in Europe. There was what may be termed a very marked difference between the tenor of his remarks to me in private conversation and the

ones

ones which he had previously expressed during the evening in his prepared speech. I had the impression that he may have had little to do himself with the wording of the prepared speech, but that he was merely acting as the mouthpiece for various members of the Hungarian Government who felt that this opportunity could be used for furthering revisionist aspirations.

Respectfully yours,

George S. Messersmith.

File 710.
GSM-MJP

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Lec.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 254. Belgrade, January 12, 1935.

Subject: Meeting of the Little Entente at Ljubljana.

DEPARTMENT OF STATE
FEB 6 1935
DIVISION OF WESTERN EUROPEAN AFFAIRS

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DEPARTMENT OF STATE
FEB 4 1935
DIVISION OF NEAR EASTERN AFFAIRS

FILED
FEB 8 - 1935

The Honorable

The Secretary of State,

Washington.

Sir:

Owing to the holidays of the Orthodox Christmas, all Government offices were closed and no newspapers were issued for four days, which covered the period of Mr. Laval's visit to Rome and the Franco-Italian negotiations. It was, therefore, very difficult to discover what was the Yugoslav reaction to the agreement reached. Even when the papers did appear they failed to discuss or express any opinion concerning the agreement. As the Department knows, the Yugoslav Press is absolutely under the control of the Government, and its failure to discuss the Franco-Italian agreement and the Yugoslav attitude thereto was

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significant

significant. From various conversations which I have had, I believe that in Yugoslavia the first impression was one of great reserve until the practical application of the Rome agreement should be made clearer. Also, while it was acknowledged that the agreement had created a better general atmosphere and had lessened the dangers to peace, yet there was, it seems to me, a certain deception and disappointment that a more definite and concrete agreement had not been reached. What was accomplished was only a first and rather timid step and it would be a long, delicate task to put into practical operation the measures suggested. Some satisfaction seems to be felt here and in the other Little Entente countries, as it is believed the agreement has dealt a severe blow to Revisionism.

Probably one reason for the silence of the Government and the Press concerning the Franco-Italian Pact was the desire of the countries of the Little Entente to consult and decide upon what should be their common attitude. Accordingly, Mr. Titulesco, the actual President of the Permanent Council of the Little Entente, immediately summoned an extraordinary session of that body to be held at Ljubljana on the 11th instant. This place was chosen as Mr. Titulesco was at St. Moritz and it was a central point from which he and Mr. Benesh could continue to Geneva for the meeting of the Council of the League, which was opened on January 11th. Mr. Yeftich will not go to Geneva as, being Prime Minister, he is retained by internal political matters. It was, therefore, all the more important that he should consult with the colleagues of the Little Entente in order that they might speak at Geneva in the name of Yugoslavia, in the discussions which will doubtless take place there between them and the representatives of Italy and France and other countries concerning the application

of

of the Franco-Italian agreement. The three members of the Little Entente arrived at Ljubljana on the morning of January 11th, and after two sessions, left in the evening. At the close of their meeting, the following joint official statement was issued:

> "The Permanent Council of the Little Entente met in Ljubljana on January 11, 1935, under the Presidency of Mr. Titulesco. The principal matter discussed by the Council of the Little Entente was the examination of the agreement concluded in Rome between France and Italy and the common attitude to be adopted by the Little Entente in this respect.
>
> "The Ministers of the Little Entente expressed their satisfaction with the results achieved during the negotiations carried on by Mr. Mussolini and Mr. Laval and, considering that these negotiations may considerably strengthen the maintenance and organization of peace, have decided to collaborate in a spirit of sincerity with all interested powers as regards the practical application of the principles contained in the Rome agreement, while endeavoring at the same time to insure their own national and the general interests, of which the Little Entente is the firm and faithful defender."

This statement makes clear the absolute identity of view of the three countries of the Little Entente and their intention to act as one body, which will see that their individual and general interests do not suffer. The general tone of the statement seems to me to be one of reserve. This impression is strengthened by the statements made to the Press by the three Ministers at the close of the Little Entente Conference. Mr. Yeftich said:

> "The attitude of the Little Entente is the same as before. From its present viewpoint you may draw its line of action in the future. This is the beginning of a broader diplomatic action consisting in a series of agreements which will later come to organize peace and consolidation of international relations. The action of the Little Entente will develop further in a spirit of collaboration, standing firmly on the defense of the national interests, while watching our interests of general security and peace. During the further development of this action we shall see what is to be done in this respect."

Dr.

Dr. Benesh told the journalists that the chief subject under discussion had been the Rome agreement. All three Ministers of the Little Entente were unanimous as regards the attitude to be followed towards the entire situation as created by the Rome conferences. Dr. Benesh stated that the Rome agreement represents a step forward towards the consolidation of conditions prevailing in Central Europe. This agreement also means a defeat of Revisionism and is one more proof of the weakness of the latter. Austria has by this agreement been placed in the center of political interests of entire Europe.

Conversations begun between representatives of the Little Entente, said Dr. Benesh, will be continued in Geneva with the representatives of France and Italy. The reason why the three Ministers of the Little Entente came to Ljubljana is because they had to decide what attitude should be adopted during these conversations in Geneva. I again note with satisfaction - said Dr. Benesh - that all three States of the Little Entente are quite of the same opinion. I see that the new year has brought to Europe a new period of peace and rapprochement with Italy. The Little Entente witnesses with calm and optimism and the development of this new political course. The Little Entente will continue to maintain its old political line of action.

Finally, Mr. Titulesco said: "Our negotiations have shown the identity of the conception of all the three States of the Little Entente, not only as regards the Rome agreements, but also with respect to general European politics. But these agreements will obtain their full value only when extended on a broader European basis. I may state decidedly that the Little Entente will collaborate with all interested States, and especially with France,

in

in order that Laval-Mussolini's agreement may yield vital results to Europe - results which are justly anticipated by everybody."

There has hardly been time yet for the Press to comment very fully on the meeting of the Little Entente. The VREME of the 12th instant states: "The Ministers for Foreign Affairs of the Little Entente met immediately after the publication of the Rome agreement. The communiqué published expresses their satisfaction with the results of the negotiations of Messrs. Mussolini and Laval, and points out that these negotiations can strengthen to a great degree the maintenance and organization of peace. The three Ministers decided to collaborate most sincerely in the application of the Rome agreement, while first guarding their national and general interests."

The POLITIKA of the same day writes: "The results realized at Rome were judged at the Ljubljana meeting as useful and as a common and important contribution toward the consolidation of international relations and toward the organization of peace." After recalling the constant efforts of the Little Entente to place its interests in harmony with general European interests, the POLITIKA adds: "This tendency of the Little Entente and the constant will always to serve the general interests of peace also manifested itself on this occasion. It may be said without exaggeration that the attitude of the Governments of the Little Entente in this respect is important in preparing the ground and in creating a situation favorable to the success of the Rome negotiations.

Respectfully yours,

Charles S. Wilson

Charles S. Wilson.

File No. 710.
CSW:HSB

DOCUMENT FILE

NOTE

Confidential File

SEE 500.A 15 A 4 General Committee/1034 FOR Tel. #976 9pm.

FROM Gen. Dis. Conf. AMDEL (Wilson) DATED Feb. 14, 1935.

TO NAME

1—1127

REGARDING: French subsidies. States British suggestion that government credits for the export of arms should be abolished is interpreted as being directly aimed at - to the Little Entente.

jsm

770.00/402

Confidential File

WE

FS
This telegram must be closely paraphrased before being communicated to anyone. (B)

Geneva

Dated February 14, 1935

Rec'd 8:50 p.m.

Secretary of State,

Washington.

(Arms)

976, February 14, 9 p.m.

Strictly confidential. The facts of today's meeting I have reported in my 975. The attitude of the Italian delegate had of course been discounted, but Stanhope's declaration as to British policy came as a severe shock to the meeting. The British refusal to accept investigation on the spot is a direct blow at the French and Continental conception of any convention. The declaration that they preferred separate conventions dealing with the establishment of a permanent disarmament commission and traffic in and manufacture of arms was stated in spite of their definite knowledge of our objections to this procedure. The suggestion that government credits for the export of arms should be abolished is interpreted at least by the press as being directly aimed at French subsidies to the Little Entente.

Lord Stanhope, British delegate, asked me to see him this morning and explained to me what the British attitude would be

500.A 15 A 4 GENERAL COMMITTEE/1034 Confidential File

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would be. An additional amendment which he mentioned to me but which he did not bring out in his speech was to the effect that they desired frequent statements as to global value of shipments within categories rather than (?) orders received. When Stanhope mentioned their preference for separate instruments I emphasized our very real desire for a single treaty and I outlined at some length our reasons therefor. I had the impression at the time that as a result of this conversation he would refrain for the moment from making public his preference.

Strang tells me that the Cabinet only recently reached these decisions and that for this reason they had been unable to discuss the matter with us before; that he and Eden had urged the importance of inspection on the spot but that the Cabinet had nevertheless decided the contrary.

Aubert called after the meeting in considerable discouragement stating that he had endeavored to persuade his press "not to start on the war path". He has arranged to see Stanhope before the meeting tomorrow morning and will endeavor to get further precision as to their attitude. He is particularly concerned because, as he explained, this negotiation is not an isolated event but will have serious influence on the broader negotiations. As Aubert put it,

put it, the British are asking France for a blank check in regard to German rearmament but at the same time are unwilling to participate in the experiment of seeing whether control can be efficiently administered. Aubert said he could not understand the situation, that Laval had told Simon at London that an indispensable part of the "general settlement" was that work should continue at Geneva to work out an efficient control which could be put into effect immediately in a limited convention and could serve as a test (?) He said that Simon had agreed and that now Stanhope repudiated inspection without a word of warning to him.

HPD WILSON

LEGATION OF THE
UNITED STATES OF AMERICA

No. 111 Prague, March 4, 1935.

Subject: Little Entente Economic Conference in Prague.

DEPARTMENT OF STATE
ASSISTANT SECRETARY OF STATE
MAR 22 1935

DEPARTMENT OF STATE
MAR 22 1935
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DEPARTMENT OF STATE
MAR 21 1935
DIVISION OF WESTERN EUROPEAN AFFAIRS

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770.00

The Honorable

The Secretary of State,

Washington

Sir:

I have the honor to inform you that the Little Entente Economic Conference met in Prague from February 18th to 27th last.

The local newspapers have made no comments whatever on the progress of the Conference; and only when its labors were finished was a short statement issued that the work accomplished since last October -

when/

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FILED
MAR 25 1935

when the Conference met at Belgrade - had been reviewed, a working program for the current year prepared, and the establishment of a permanent Economic Exposition of the Little and Balkan Entente countries discussed.

From a quarter usually well-informed I learn that high officials of this country are now of the opinion that it would have been better to have delayed convoking the Conference until after the first of April, when the preferential treaties between Italy, Austria and Hungary, which are based on the Rome Pact, are put into effect and made public. As it is, the Conference was unable to accomplish anything of importance, and had to content itself with a review of the results achieved since its last meeting, which, apparently, were far from satisfactory. A further deterrent to constructive work was the realization on the part of the three delegations that the international political situation had, for the moment at least, forced economic matters into the background, and that the Conference should therefore not attempt to make any definite decisions.

The next meeting of the Little Entente Economic Conference is scheduled for June 15th at Bucharest; and it is hoped that by that time the situation will have become sufficiently clear to make possible concrete results.

Respectfully yours,

JWB/MC
850

Copy to E.I.C. Paris.

J. Butler Wright.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 287. Belgrade, March 11, 1935.

Subject: Fourth Meeting of the Economic Council of the Little Entente.

DEPARTMENT OF STATE APR 1 - 1935 ASSISTANT SECRETARY OF STATE

OFFICE OF ECONOMIC ADVISER APR 5 1935 DEPARTMENT OF STATE

PM RECD DEPT. OF STATE MAR 29 35 DIV. COM & REC

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SPECIAL ASSISTANT TO THE SECRETARY APR 9 1935 MR. HEWES

Assistant Secretary of State APR 6 - 1935 MR. SAYRE

SPECIAL ASSISTANT TO THE SECRETARY APR 9 1935 MR. HEWES

MAR 3 1935 DEPT. OF STATE NEAR EASTERN AFFAIRS

APR 9 - 1935 FILED

770.00/404

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the fourth meeting of the Economic Council of the Little Entente held at Prague February 18 to 21, which has doubtless been followed in the despatches of the Prague Legation, I have the honor to report that aside from the official communiqué quoted below, in English, nothing further since the close of the conference has appeared in the local press:

> "The Council in the first place discussed commercial exchange between the three countries, and established a plan of exchange for 1935. It examined the results of what had been undertaken since the preceding session in the three countries in carrying out the program of cooperation, collaboration and unification established

since

since the first session and completed in the following ones.

"The Council accepted a resolution tending to assure the realization of economic rapprochement between the countries of the Little Entente. To this end it drew up the program to be undertaken during 1935. The Council also considered the question of a permanent economic exposition of the States of the Little Entente and of the Balkan Entente.

"The next meeting of the Council has been fixed for June 17th, 1935, at Bucharest."

This is in marked contrast to the attention paid by the press to the first meeting of the Council held some eighteen months ago when pages were given to its discussions. It is my opinion that this apparent inattention reflects a lack of optimism of what the Council can accomplish and a lack of public interest in the deliberations of a purely advisory body which thus far seems to have brought about no great improvement in the trade of the Entente States as between themselves.

It is true that statistics show a reduction in Yugoslavia's unfavorable balances with Czechoslovakia and Roumania in 1934 over 1933,- with the former country the total volume of Yugoslav trade increased, especially in exports, perceptibly. However, as this country's exports are almost entirely agricultural produce and raw material until she can induce her industrial, as well as to some extent agricultural, neighbor to give less protection to her agriculture it is felt here that no equitable balance can be achieved.

In noting the apparent public indifference here to the Little Entente's economic efforts I do not wish to infer that it applies in the slightest degree to its political policy.

Respectfully yours,

Charles S. Wilson

Charles S. Wilson.

File No. 710

WA:HSB

DOCUMENT FILE

NOTE

SEE 740.0011 Mutual Guarantee/124 (Eastern Locarno) FOR Telegram #193, 5 pm.

FROM Italy (Long) DATED April 10, 1935.
TO NAME 1—1127

REGARDING: Adherence by Little Entente to Musselini's Danubian pact.

wth

770.00/405

WE
EE

BC
This telegram must be closely paraphrased before ebigg communicated to anyone (B)

Rome

Dated April 10,1935,

Received 2:40 PM

Secretary of State,

Washington.

193 April 10, 5 p.m.

I am advised from an authoritative source that the three governments of the Little Entente each adhered to Mussolini's Danubian pact on April 8th. This leaves Hungary and Germany conspicuously missing as signatories.

I understand that Mussolini at Stresa (?) the fact of these adherences as an offset to the Eastern Locarno pact to which Italy has always been opposed and as a lever to pry the British into a more concrete position concerning the continental pact of non-aggression as proposed to be modified by Germany.

LONG

RR HPD

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740.00 11 Ms
(Balkan)

1/24

REP

C O R R E C T I O N

April 10, 1935.

In telegram #193, April 10, 5 p. m., from Rome, regarding Stresa discussions, delete "(?)" in 6th last line, insert "will use".

DIVISION OF COMMUNICATIONS AND RECORDS

DOCUMENT FILE

NOTE

770.00/406

SEE 868.00/855 FOR #3799

FROM Military Attache (NAME) DATED Apr.9, 1935

TO Greece

1—1127

REGARDING:

Appointment of Maximos as representative from Greece to the Conferences of the Councils of the Little Entente and the Balkan Entente.

Informs of -.Maximos will also represent Greece at the next annual session of the Council of the Balkan Entente which will take place at Bucharest.

Wi

DOCUMENT FILE

NOTE

SEE 863.01/169 FOR Despatch #318

FROM Yugoslavia (Wilson) DATED May 7, 1935.

TO NAME 1—1127

REGARDING: The forthcoming conference at Rome and the attitude of the Balkan states. Not the intention of the Little Entente to hold preliminary discussions .

wth

770.00/407

DOCUMENT FILE

NOTE

SEE 860h.00/768 FOR Tel. 13 10am

FROM Yugoslavia (Wilson) DATED June 21,1935

TO NAME 1—1127

REGARDING: Little Entente meeting in Belgrade, June 22nd. The -- has been postponed due to the resignation of Yugoslav cabinet.

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DOCUMENT FILE

NOTE

SEE 863.01/215 FOR Despatch #289

FROM Rumania (Wadsworth) DATED July 23, 1935
TO NAME

1—1127

REGARDING: It was generally accepted that Prince Paul's visit to Rumania was essentially one of courtesy and apparently reliable reports had it that any pronouncement of Little Entente policy would be deferred until after conclusion of the meeting of the Little Entente Council scheduled to meet at Bled about middle of August.

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fp

As the atmosphere of uncertainty cleared, it was generally accepted that Prince Paul's visit was, as reported in the despatch under reference, essentially one of courtesy; and apparently reliable reports had it that any pronouncement of Little Entente policy would be deferred until after the conclusion of the meeting of the Little Entente Council scheduled to meet at Bled about the middle of August. This latter seemed later confirmed by the following quoted "declarations" made by Mr. Titulescu to the local press on July 15 (translated from UNIVERSUL, leading independent Bucharest daily, No. 194 of July 17):

> I am leaving the country very satisfied. The international situation may be in confusion. The attitude of the Little Entente and the Balkan Understanding, however, in relation to events which might arise, cannot be any clearer. The conversations at Sinaia permitted me to note a complete identity of views with our ally Yugoslavia. And as Mr. Benes, who has

been

been kept in touch with all our conversations has expressed the identical opinion, I can affirm that the unity of action of the Little Entente is more complete than ever.

The acceptance of the portfolio of Foreign Affairs by Mr. Maximos is the best guarantee that the decisions of the Balkan Understanding at the conference at Bucharest in May will be applied in the spirit of the strictest collaboration of the Balkan states.

Asked to explain the news published in the press before the meeting at Sinaia of a new orientation in the foreign policy of Rumania and its allies, he stated:

They are the fruits of the propaganda of enemies to our national unity. A change in the orientation of our foreign policy? It is an impossibility. Whoever speaks of such a change has not thought seriously on the problem.

Our foreign policy is essentially a national policy, based, above all, on the maintenance of our territorial integrity. We do not carry on a foreign policy directed against anyone. Rumania desires the friendship of all states without distinction and is ready to join with all those who are disposed to contribute by their means to the maintenance of our frontiers and our allies.

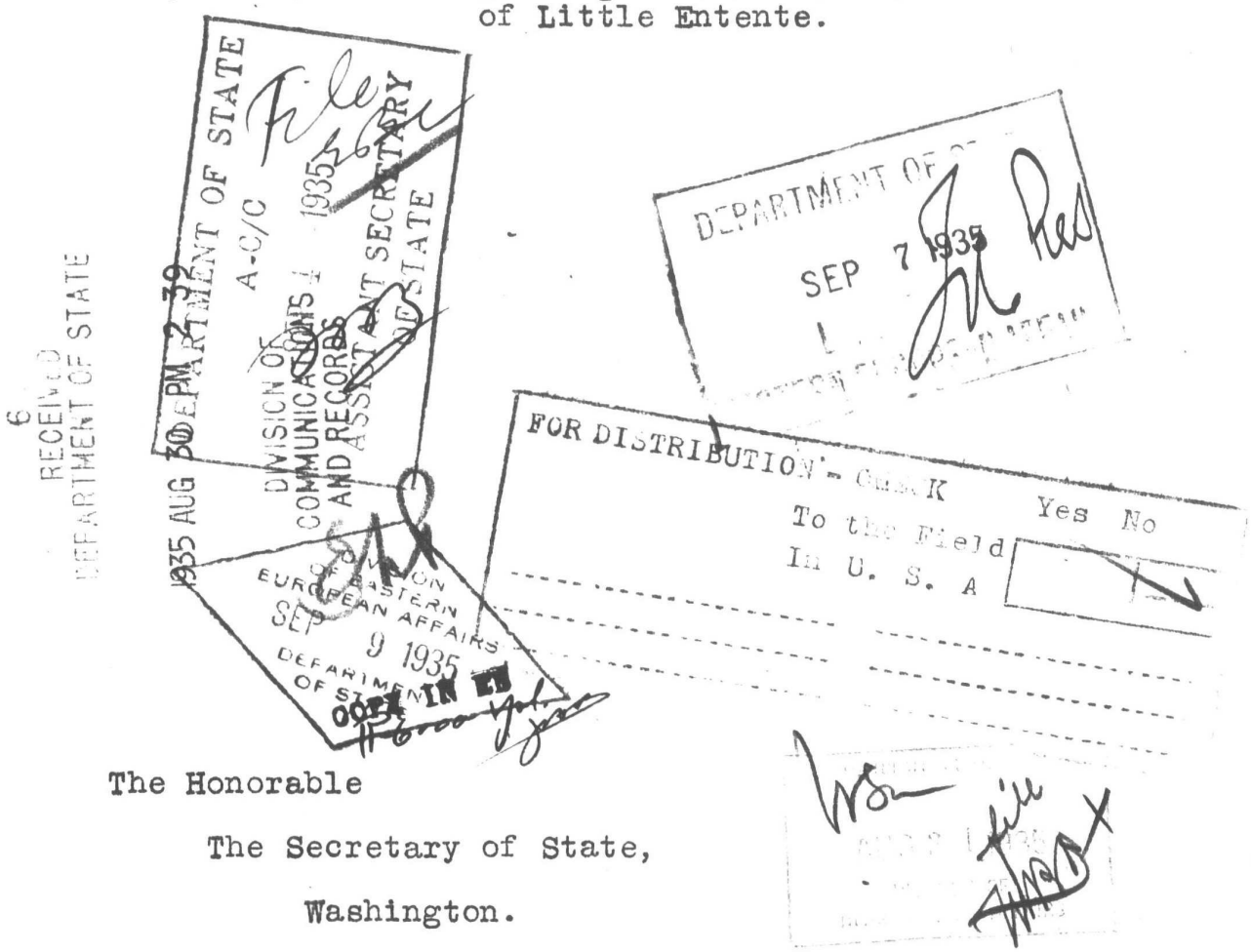
Our motto is: Rumania and, above all, peace.

Therefore I can affirm that you will assist, not at a change of the present foreign policy, but at its development in every direction.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 373. Belgrade, August 14, 1935.

Subject: Meeting of Permanent Council of Little Entente.



The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the coming meeting of the Permanent Council of the Little Entente to be held at Bled on August 29th next, I have the honor to report the views of a high foreign office official on three of the subjects to be discussed; namely, the question of Hapsburg restoration in Austria, the proposed Danubian Pact, and Yugoslavia's recognition of Russia.

As reported in the Legation's despatch No. 370 of August 2, 1935, Yugoslavia is unconditionally opposed to the return of the Hapsburgs to the Austrian Throne. This policy will be reiterated at Bled.

Yugoslavia

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Yugoslavia for her part has no objection to Austria's adopting a monarchical form of government if she so wished,- that would be a question for Austria to decide herself. To bring back the Hapsburgs, however, would be a different matter and could be regarded in no other than an international light.

The Hapsburg question further, my informant continued, was of first importance when considered in connection with the proposed Danubian Pact, a new draft of which Italy and France are reported to have together worked out, but concerning which as yet the Yugoslav Foreign Office officially knows nothing. The Government here would of course work for any pact which would solve the problem of the Danube basin, but no Belgrade Government could be expected to agree to a pact containing a clause of non-interference in Austria's internal affairs unless its view, that the Hapsburg restoration question is international, is accepted and clearly stipulated. A Hapsburg regime in Austria would not only be a danger because of the revisionist aims it might awaken, but it would aid, not prevent as was commonly supposed, the Anschluss which the Austrian majority favored. A weak government at best it would soon be dominated by Nazi Germany.

Touching on Yugoslavia's recognition of Soviet Russia my informant was cautious neither to confirm nor deny that it might shortly be expected. It is, however, believed amongst those generally well informed, and who have been following the question, that Mr. Titulescu and Mr. Benesh will urge Mr. Stoyadinovich to fall in line and that their arguments for a common

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front on recognition of Russia will outweigh those, chiefly sentimental, which have thus far governed the Yugoslav attitude.

Respectfully yours,

Wainwright Abbott

Wainwright Abbott,
Chargé d'Affaires ad interim.

File No. 710.

WA:HSB

DOCUMENT FILE

NOTE

SEE 768.00/25 FOR #784

FROM Greece (Aldridge) DATED Aug.15, 1935
TO NAME

1—1127

REGARDING:

Statement by Tsaldaris concerning possibility of a union of the Balkan Entente with the Little Entente.

770.00/411

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DOCUMENT FILE

NOTE

SEE 875.4016 Greeks/44 FOR #801

FROM Greece (Aldridge) DATED Aug 29, 1935.

TO NAME

1—1127

REGARDING:

Greek press gives prominence to the statement by Mr. Benes that the Little Entente and the Balkan Entente would find means to cooperate in the event of international complications resulting from the Italo-Ethiopian situation.

770.00/412

412

770.00

LEGATION OF THE
UNITED STATES OF AMERICA

No. 385. Belgrade, September 3, 1935.

Subject: Meeting of the Permanent Council of the Little Entente at Bled.

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DEPARTMENT OF STATE
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DIVISION OF WESTERN EUROPEAN AFFAIRS
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To the American Consuls in U. S. A.
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Confidential.

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The Honorable

The Secretary of State,

Washington.

770.00

Sir:

With reference to the Legation's despatch No. 373 of August 14, 1935, I have the honor to report that the Permanent Council of the Little Entente, which consists of the Foreign Ministers of the three member states, met at Bled, Yugoslavia, under the Presidency of the Yugoslav Prime Minister and Minister for Foreign Affairs, Dr. Milan Stoyadinovitch, on August 29th and 30th, and to transmit herewith a translation of the Communiqué issued at its close, as published by the Belgrade news agency, AVALA.

The

The Communiqué at first glance may give an impression of perfect agreement between the three ministers. To me, however, it is generally vague and not very convincing, and some comment may perhaps be of interest.

To begin, it opens with a declaration of the similarity of views of the member states and of their solidarity as regards foreign policy. Yet, Yugoslavia does not see eye to eye with her allies on the question of Soviet Russia! Mr. Stoyadinovitch refused at Bled to agree to proceed toward recognition of the Soviets in spite of strong pressure on the part of Mr. Benesh and Mr. Titulescu, who confidently expected him to fall in line. This, I have been informed by the Czechoslovak Chargé d'Affaires who has just returned from Bled, was a severe disappointment to them. In considering what governed Mr. Stoyadinovitch's decision I have come to the conclusion that, apart from the anti-Soviet feelings of the Prince Regent and a natural hesitation to open the gates to communist activities, with Roumania and Bulgaria as neighboring examples of what might be expected to follow, the Prime Minister does not wish to take a step that would be sure to displease Germany. As it suits the book of Czechoslovakia and Roumania to cultivate and be friendly with Russia and draw Yugoslavia away from German influence -- recognition might well pave the way for a Yugoslav-Soviet treaty similar to that of the latter with Czechoslovakia -- it suits that of this country to cultivate and be on good terms with Germany. There is little to gain and from her geographic position little to fear from Russia. On the

other

other hand, with the Anschluss generally conceded to be only a question of time and with a growing sentiment here in favor of Germany, there is much to be gained from a power growing in strength, which at the same time offers such a good market and is such a good customer. I also understand, on good authority, that General Goering during his visit to Belgrade last spring gave assurances to the Government that it need have no fears of German aggression.

The Communiqué then expresses the hope that an Eastern pact and a Danube pact may be concluded. With regard to the former this can be no more than a pious expression on Yugoslavia's part, for judging from a conversation with a high Foreign Office official the Yugoslav Government has very little if any interest in it and again Germany comes into the question. The latter pact, however, it would welcome on conditions. These would include the Hapsburg restoration and rearmament of Austria, Bulgaria and Hungary questions, which are linked with it. On these Yugoslavia is in agreement with her Allies. Otherwise, I believe, she would prefer first to settle several questions outstanding with Italy before proceeding, and is suspicious of being pushed by the other interested states into something entailing undesired obligations. It is also doubtful if she holds Czechoslovakia's view that the dropping of the clause for automatic action against an aggressor, as proposed by the new French-Italian draft, makes the pact useless.

Paragraph six refers indirectly to the Little

Entente's

Entente's attitude toward the Italo-Abyssinian dispute. 765.84/990
As reported in the Legation's despatch No. 374 of August 15, 1935, Yugoslavia was not concerned with the dispute itself, believing it to be a matter for France, Italy and Great Britain to settle. This is the attitude, according to my Czech colleague, of the Little Entente, which it was agreed would support whatever resolution France and England decided to put forward at Geneva. In his opinion France would never agree to employing sanctions against Italy, which might instead be given a mandate of Abyssinia; and the abandonment of the Negus was infinitely better than disturbing the peace of Europe. "England's fine talk of the League", he said, "is what you call in America 'boloney'", and his view no doubt reflected those of the three foreign ministers.

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In brief, if there is any accuracy in the foregoing remarks, the members of the Little Entente are in partial but not complete accord, with Yugoslavia standing somewhat apart from the other two states and inclined to take the long view in mapping her course.

Mr. Stoyadinovitch left Bled on September 1st for Paris where, in his capacity of President of the Permanent Council, he will expose its views to Mr. Laval, the French Foreign Minister. Although he is the leader of the Yugoslav delegation to the League Assembly it is expected that he will leave its direction to Mr. Pouritch, Yugoslav Minister to France and return to Belgrade on September 5th.

In conclusion I should add that Mr. Rushdi Aras, the Foreign Minister of Turkey, stopped in Bled on

August

August 31st on his way to Geneva, and I am reliably informed that in an interview with Mr. Stoyadinovitch, at which Mr. Titulescu who was still in Bled was present, he took occasion to use his influence in favor of Yugoslav recognition of Russia.

Respectfully yours,

Wainwright Abbott,
Chargé d'Affaires ad interim.

Enclosure:

Translation of Communiqué.

File No. 710 - Triplicate.

WA:HSB

Received

Enclosure to Despatch No. 385 of September 3, 1935, from the Legation in Belgrade.

Translation.

COMMUNIQUE OF THE PERMANENT COUNCIL OF THE LITTLE ENTENTE ISSUED AFTER THE CLOSE OF THE CONFERENCE AT BLED ON AUGUST 30TH - 1935.

The three Foreign Ministers of Roumania, Czechoslovakia and Yugoslavia having met on August 29th and 30th, 1935, at Bled, in a Permanent Council of the States of the Little Entente under the Presidence of Mr. Stoyadinovitch, the Yugoslav Prime Minister, and having thoroughly studied the present general situation and having exchanged views on this subject, set forth among other things their common points of view as follows:

(1) In view of the present dangerous situation and the possibility of various conflicts in the near future, the three ministers again solemnly confirm the similarity of their attitude and their entire and perfect solidarity as regards matters of foreign politics. This is a result of a joint policy based on the Statutes of the Permanent Council of the States of the Little Entente, and upon an unbroken practice of conforming with these statutes. This unity and this solidarity can only become greater in the face of the present difficulties. Indeed, the decision and engagement to defend in common the interests of the three States on political, diplomatic, economic and military grounds remains more unshaken then ever before.

(2) The States of the Little Entente are deeply attached to the ideals of peace and will use all their efforts and all their strength in the service of peace. They continue to consider the League of Nations as the one and only instrument of such a policy and will remain faithful to the League whatever happens in the years to come.

(3) The three governments are convinced that the difficulties of the present situation could be considerably lessened and the general peace, especially that of Europe, maintained and strengthened, if efforts made of late toward the conclusion of an Eastern Pact and a Danubian Pact would be directed with the utmost speed towards final success.

As regards the Eastern Pact, the only purpose of which is to maintain peace and tranquility in eastern Europe in the years to come they agree with the proposals made not long ago by the governments of Paris and London and they will continue to negotiate on this subject with the interested governments in order to arrive at a joint agreement or at any other convention intended to provide for the security of their countries.

The

The idea of the Danube Pact, the purpose of which is to provide for the mutual respect of the internal political regime of the contracting parties and the present territorial integrity and political independence of each of the signatory States, continues to be the subject of their most careful examination.

They agree with the governments of Paris and Rome upon the necessity of concluding such a Pact. They consider it as a basis for peaceful, sincere and friendly collaboration between the States of the Little Entente on one hand and Austria and Hungary on the other. In it they see likewise the best ground for having friendly and peaceful relations between the States of the Little Entente, Italy and Germany. This is the reason why they declare themselves ready to collaborate loyally, while respecting their national interests, for the complete realization of efforts tending towards the final settlement of the present negotiations.

(4) As regards the so-called question of equality of rights in the matter of armaments, a question which was once raised in connection with the problem of the Danube Pact, the governments of the States of the Little Entente continue to maintain the view approved as a matter of fact by the three great western Powers, Great Britain, France and Italy, according to which this question can be settled only, provided the condition of a corresponding increase of security is fulfilled. This increase of their security could exist only in an useful and concrete form.

(5) The three governments of the States of the Little Entente desire, in view of the various rumors circulating on the subject of the Hapsburg family, to outline definitely their unalterable attitude in the matter of the former Dynasty of the Austro-Hungarian Monarchy. The well known attitude of the governments of the three States on the subject of the Hapsburg problem, which had been expressed either collectively or individually, has not been modified and will not undergo any change.

The States of the Little Entente desire first of all to state quite clearly that they entirely respect the internal regimes of other States and do not intend to interfere in any way with the internal affairs of their neighbors. Consequently they have no intention to discuss the question of the monarchy in other States, considering this question as coming within the scope of the internal politics of these States.

On the other hand none of the States of the Little Entente can consider the question of the former Hapsburg Dynasty as a question of no interest to them, or as a question pertaining purely to the internal policy of any other European State,- because of the pre-war political situation in Central and Southeastern Europe, because of the former and present aspirations of this family and because of the important international consequences which would inevitably ensue from a eventual

ascension to the Throne of any State in Central Europe of this former Dynasty.

The three States of the Little Entente cannot consider the problem of the Hapsburg restoration as an internal question because it affects their vital interests and peace of Europe. In fact, a threat is concealed behind the restoration of the Hapsburgs against their national patrimony, their territorial integrity and their internal political regimes.

In declaring the foregoing the Governments of the States of the Little Entente are entirely free from any prejudice. They are not manifesting any feelings of hostility against other States or nations in Central Europe with which they sincerely desire to live in friendship and peaceful collaboration. They only set forth the political reality in which the nations of the three States sincerely believe.

In view of the deep feelings of all the peoples of the States of the Little Entente, the Hapsburg restoration would be of a nature to definitely destroy any chances of collaboration and future friendship between the nations which formerly belonged to the Hapsburg Monarchy. This is why the States of the Little Entente are, remain and will remain, equally and entirely opposed to such a restoration, as well as to all measures intended to prepare its coming, and will oppose it by all means at their disposal. They are convinced that this should in no way prevent good relations with their neighbors and sincerely wish to arrive at some definite agreement with them on this matter, as well as the matter of a joint policy to be followed in the future in the Danube basin to the end of arriving at a sound common political and economic entente and the maintenance of the independence and present territorial integrity of each respective State.

(6) The Permanent Council of the Little Entente has definitely studied all questions which will be on the agenda of the Council and of the Assembly of the League of Nations. It has decided closely to follow the evolution of these questions and to meet at Geneva at the time of the Assembly, if this would prove necessary. The preliminary study of these problems has shown the full similarity of the points of view of the three governments both as regards the matter and the procedure to be followed during possible discussions in Geneva.

(7) In view of the general political situation, the Permanent Council of the States of the Little Entente has decided that the three Foreign Ministers must, during the next weeks and months, remain in an intimate and permanent personal contact.

Delivered to the Press at Bled, August 30, 1935.

LEGATION OF THE
UNITED STATES OF AMERICA
Bucharest, September 6, 1935.

No. 11

Subject: Little Entente Conference at Bled, August 29-30, 1935, as Viewed in Bucharest.

DIVISION OF EUROPEAN AFFAIRS NOV 29 1935 DEPARTMENT OF STATE

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DIVISION OF EASTERN EUROPEAN AFFAIRS NOV 29 1935 DEPARTMENT OF STATE

DEPARTMENT OF STATE SEP 28 1935 DIVISION OF NEAR EASTERN AFFAIRS

770.00/414

The Honorable

The Secretary of State,

Washington.

Sir:

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In my telegraphic report No. 17 of August 3, last, I referred inter alia to the projected Annual Conference of the Permanent Council of the Little Entente to meet at Bled, Yugoslavia, before the end of the month of August. During the ensuing weeks, as the Abyssinian imbroglio gave to the general European situation an atmosphere of increasing instability, local interest centered the more on the forthcoming Bled Conference. Conversations with colleagues, foreign journalists and Rumanian acquaintances would turn naturally to query as to the meeting's unpublished agenda. In the light

of

of the communiqué issued on August 30, upon the conclusion of the conference, those earlier speculations possess a certain interest. I shall touch on them below when commenting briefly on the communiqué itself.

The full text of the communiqué will have been submitted to the Department by our Legation at Belgrade. In brief resumé, the three States of the Little Entente:

1) Recognized the "gravity of the present moment" and reaffirmed in categorical terms "their unity of views and their entire solidarity in all questions of external policy."

2) Reaffirmed their "fidelity" to the League of Nations as the "sole and unique instrument" of a policy of Peace.

3) Expressed conviction that "the difficulties of the situation could be sensibly reduced" were success to crown "the recent efforts to conclude an Eastern Pact and a Danubian Pact." To the former they gave their full support as they would to "every other convention designed to assure the security of their countries." The function of the latter was described as including assurance of "the present territorial integrity" of each signatory.

4) Reaffirmed their view that "the so-called question of equality of rights in the matter of armaments" could be solved only "on condition of a corresponding increase of security. . .in concrete and efficacious form."

5) Maintained, with exhaustive exposé of reasons, their firm opposition to Hapsburg Restoration as menacing "their territorial integrity and their internal political regime."

6) Announced that careful study of the agenda of the forthcoming (September 4) reunion of the League of Nations had established unity of view as to principles and procedure and promised that further meetings would be held at that time.

7) Similarly promised, in the light of the general situation, close collaboration "during ensuing weeks and months."

A French-language text of the August 30 communiqué, as published in the September 1 (No. 18,147) issue of L'INDEPENDANCE ROUMAINE (pro-Government daily), is

enclosed

enclosed as a matter of record.

Prior to the Bled Conference, diplomatic and journalistic circles in Bucharest assumed that, as usual at meetings of Little Entente statesmen, unity of views, solidarity of policy and adherence to League precepts would be reaffirmed and that the questions of (Hungarian) rearmament and Hapsburg Restoration would be treated in terms such as those voiced in the communiqué. On the latter question the consensus of pre-Conference opinion was, too, that, in view of the reported conflicting views of Yugoslavia and Czechoslovakia (despatch No. 287 of July 12, 1935), the Conference would avoid the issue as to whether, in the event of a forced choice, Restoration would be preferred to Anschluss, or vice versa. Local post-Conference press reaction to the communiqué has, therefore, been entirely favorable. On this last point the following brief extracts from the September 1 issue (No.240) of UNIVERSUL (leading Bucharest daily, independent and strong supporter of Foreign Minister Titulescu) are typical:

> The communiqué is clear and concrete. In view of the importance of the questions considered no room was left for doubt. For the Little Entente the Hapsburg question is closed. It considers the League of Nations as the most effective political institution for Peace and has promised to remain faithful thereto.

On one important point, however, pre-Conference prognostication proved to be incorrect. It was generally rumored and believed that the occasion would be taken to announce, as crowning examples of Little Entente solidarity, Yugoslav recognition of Soviet Russia and Rumanian intention to implement its now one-year-old

recognition

recognition by the conclusion of a mutual assistance pact similar to that concluded by Czechoslovakia last May. Instead, we find in the communiqué (paragraph 3) only a general expression of support of the objectives of the proposed Eastern Pact. It was with this omission in mind that my Hungarian colleague later commented: "The most interesting thing about the communiqué is what it did not say." My Czech colleague admits joint failure by Messrs. Titulescu and Benes to bring Yugoslavia to take the desired action but explains the latter's "hesitancy" on grounds of internal Yugoslav politics. "The opposition," he said, "had so insisted on Soviet recognition that the Government, while not indisposed to accord it, felt it could not do so at this time without serious loss of prestige." The Rumanian Undersecretary for Foreign Affairs, Mr. Savel Radulescu, who had been absent from Bucharest since my arrival in Rumania, and on whom I called yesterday for the first time, following his return from Bled, assured me also that, in his opinion, recognition was "but a question of time." It should be remembered, he added, that, as a young man, the late King Alexander had spent much time at the Court of St. Petersburg; also there had been many close ties between the two reigning families. All this could not easily be forgotten and had had its effect.

On the whole, my reaction to the various discussions I have heard of the results of the Conference is restrainedly favorable. I do not perceive any yielding on the part of the Little Entente on the question of revisionism or any willingness to consider modification

of

of the status quo. Rumanian circles continue to view Italian intransigeance in the Abyssinian question as a most serious threat to the collective maintenance of European Peace, but their most immediate concern is that, in the situation thus created, Germany may find encouragement to essay a new putch in Austria. On this latter point Mr. Savel Radulescu commented: "To ask us to choose between Anschluss and Hapsburg Restoration would be like offering an individual his choice between the guillotine and the gallows." The firm stand taken by the Little Entente against modification of the status quo and its apparent intention to continue to lend full support to French policy at Geneva would seem, therefore, in the present situation, to militate in some measure in favor of the maintenance of Peace or at least to constitute an added obstacle to the immediate success of disruptive factors.

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Respectfully yours,

Leland Harrison.

Enclosure:

1. Text of the August 30 communiqué, as published in the September 1 (No. 18,147) issue of L'INDEPENDANCE ROUMAINE.

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t. Copies to: Belgrade, Prague, Vienna and Paris.

LH-GW/BFG

L'INDEPENDANCE ROUMAINE
No. 18,147, September 1, 1935. (pro-Government daily)

Enclosure No. 1 to Despatch No. 11 of September 6, 1935 from American Legation, Bucharest, Rumania.

TEXT OF LITTLE ENTENTE COMMUNIQUÉ OF AUGUST 30, 1935

Les importantes décisions de la Petite-Entente

Belgrade, 30 (Rador).—La conférence de la Petite Entente est l'objet d'une attention spéciale de la part des journaux de ce matin.

La presse publie de nombreux détails sur le cadre dans lequel ont lieu les conversations entre les trois ministres des affaires étrangères de la Petite Entente.

*

Beld, 30 (Rasor). — La conférence du conseil permanent de la Petite Entente a terminé aujourd'hui après midi ses travaux.

Les trois ministres ont reçu les représentants de la presse, auxquels M. Stoyadinovitch a lu le texte de la déclaration commune sur les travaux.

M. Stoyadinovitch, en présence de MM. Titulesco et Bénès, a lu la déclaration commune suivante:

„Les trois ministres des Affaires Etrangères de Roumanie, Tchécoslovaquie et Yougoslavie, réunis les 29-30 Août 1935 à Bled, en Conseil permanent des Etats de la Petite Entente, sous la présidence de M. Stoyadinovitch, président du Conseil yougoslave, après avoir examiné minutieusement la situation générale actuelle et après avoir eu un échange de vues sur ce sujet, fixent, entre autres, leur point de vue commun de la manière suivante:

1) Etant donnée la gravité du moment actuel et la possibilité de différents conflits éventuels dans un proche avenir, ils réaffirment leur unité de vues et leur entière solidarité dans toutes les questions de politique extérieure, telle qu'elle résulte de leur communauté politique s'appuyant sur le statut du conseil permanent des Etats de la Petite Entente et sur une pratique conforme ininterrompue.

Cette unité et cette solidarité ne peuvent qu'être augmentées en face des difficultés de l'heure présente.

En effet, la décision et l'engagement de défendre les intérêts de nos trois Etats en commun sur le terrain politique, diplomatique, économique et militaire, restent plus inébranlables que jamais.

2) Les Etats de la Petite Entente sont profondément attachés à la paix et mettront tous leurs efforts et toutes leurs forces au service de la paix.

Ils continuent à considérer l'institution de la Société des Nations, à laquelle ils resteront fidèles, quoi qu'il arrive comme seul et unique instrument de cette politique.

3) Les trois gouvernements sont convaincus que les difficultés de la situation actuelle peuvent être sensiblement réduites et la paix générale, surtout en Europe, maintenue et consolidée, si les efforts faits dans le dernier temps, en vue de la conclusion d'un pacte oriental et d'un pacte danubien, aboutissent, sans retard, au succès final.

En ce qui concerne le pacte oriental, les trois gouvernements sont d'accord pour considérer que la question a atteint un stade qui permet d'espérer sa conclusion prochaine.

Ils sont d'accord pour considérer que la question du pacte danubien

une pratique conforme ininterrompue.

Cette unité et cette solidarité ne peuvent qu'être augmentées en face des difficultés de l'heure présente.

En effet, la décision et l'engagement de défendre les intérêts de nos trois Etats en commun sur le terrain politique, diplomatique, économique et militaire, restent plus inébranlables que jamais.

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En ce qui concerne le pacte oriental, dont l'unique but est de maintenir la paix et la tranquillité en Europe Orientale, les trois gouvernements sont d'accord avec les propositions présentées dans le dernier temps par les gouvernements de Paris et de Londres et continueront à ce sujet leurs négociations avec les gouvernements intéressés dans le but d'aboutir avec eux à une entsnte commune ou à toute autre convention destinée à assurer la sécurité de leurs pays.

L'idée du pacte danubien, dont la fonction est d'assurer le respect mutuel du régime politique intérieur des Etats contractants, et l'intégritée territoriale actuelle et l'indépendance politique de chaque signataire, continue à faire

qu'ils respectent entièrement les régimes intérieurs des autres Etats et n'entendent s'immiscer d'aucune manière dans les affaires intérieures de leurs voisins. Ils n'ont, en conséquence, aucune intention de se prononcer sur le régime monarchique des autres Etats, considérant cette question comme un problème de politique intérieure des Etats en question.

Au contraire, aucun des Etats de la Petite Entente ne considère la question de l'ancienne dynastie Habsburgique comme une question qui ne les intéresse pas ou comme une question intérieure d'un certain Etat européen, étant donnée la situation politique dEurope centrale et sud-orientale d'avant la guerre, étant données les aspérités antérieures et actuelles, de cette famille, et les conséquences internationales considérables qu'aurait inévitablement l'avènement évertuel au trône, dans n'importe quel Etat d'Europe centrale, de n'importe quel membre de cette ancienne dynastie.

Les trois Etats de la Petite Entente ne peuvent donc pas considérer la question de la restauration des Habsbourg comme une question intérieure, parce qu'elle frappe leurs intérêts vitaux et la paix européenne. En effet, toute tentative de restauration habsburgique menace leur patrimoine national, leur intégrité territoriale et leur régime politique intérieur.

En affirmant ce qui précède, les gouvernements des Etats de la Petite Enetente sont dépourvus de toute idée préconçue ; ils ne manifestent aucun sentiment d'hostilité à l'égard d'autres Etats ou nations d'Europe centrale, avec lesquels ils désirent sincèrement vivre dans l'amitié et dans la collaboration pacifique ; ils ne font que constater la réalité politique dont les peuples de nos trois Etats sont profondément conscients.

politique générale, le conseil permanent des Etats de la Petite Entente a décidé que les trois ministres des Affaires Etrangères restent, au cours des semaines et des mois prochains en cortact personnel, étroit et continuel".

Central File: Decimal File 770.00, Political Relations Of States, Relations; Bi-Lateral Treaties., Balkan States And The World, December 12, 1933 - September 13, 1938. December 12, 1933 - September 13, 1938. MS Turkey, Greece, and the Balkan States: Records of the U.S. Department of State, 1930-1944: Records of the Department of State Relating to Political Relations of Turkey, Greece, and the Balkan States, 1930-1939. National Archives (United States). Archives Unbound, link.gale.com%2Fapps%2Fdoc%2FSC5111388021%2FGDSC%3Fu%3Domni%26sid%3Dbookmark-GDSC. Accessed 21 June 2025.